

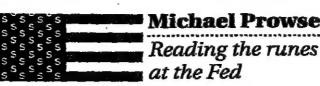
FINANCIAL TIMES

MONDAY FEBRUARY 26 1996

Start the week with...



Management Changing face of corporate IT





Media futures

The rise of the Webmaster

Bosnian leaders forcing out Serbs

United Nations relief officials accused the Moslem-Croat federation and Bosnian Serb leaders of exerting pressure on Serbs to abandon their homes in parts of Sarajevo which are set to come under Bosnian government control under the Dayton agreement. Kris Janowski, spokesman for the UN High Commissioner for Refugees, accused the Bosnian Serb leadership of manipulating the fears of Serbs about their fate at the hands of the Moslem-led Bosnian government. Page 18

Major faces battle over

: CTU-MC

1-12

Compagns

A Property of the

Number of Spin

- Charle of the Spin

المدام دون مريد

7.7.1

The second of the second

April (

The sections

1 1 1 1 1 m

1 . 10

... Se ...

1-1-10-20-20

organization

ನ್ ನರ್ಷ-

-45.0

MPs' vote on arms report The outcome of tonight's House of Commons vote on the Scott report's findings on the sale of arms to Iraq may depend on how the government pushes forward the Northern Ireland peace process, David Trimble, leader of the Ulster Unionists, warned. Alarm has been raised that the two important issues had become intertwined, and the Tories face a further embarrassment as it emerged that Conservative MP William Powell may have breached parliamentary disclosure rules as a result of his relaaship with a lobbyist with Middle East

Sinn Féin seeks to 'rebuild peace': British government officials will today meet Sinn Féin representatives for the first time since the Irish Republican Army abandoned its ceasefire amid signs of progress in the Northern Ireland peace process.

Forbes' win weakens Dole: Bob Dole, Senate majority leader, heads into the US Republican perty's presidential primary election in Arizona tomor row looking increasingly weakened after losing to Steve Forbes, the millionaire publisher, in the Delaware primary. Page 18; Alarm over protection,

BET, the UK business services group facing a hostile £1.8bn (\$2.77bn) bid from Rentokil, has launched a pre-emptive strike against its rival by sending a letter to shareholders outlining the improvements BET has made in the past five years.

Wisconsin Central Transportation, the new US owner of British Rail's heavy haul freight operations, may build its own freight railway lines in Britain if Railtrack, the company responsible for the track network, is not willing to devote resources to freight operations. Page 6

The London Stock Exchange is coming under increasing pressure from investors and brokers to pull back from plans to introduce order-driven elec-tronic trading alongside the current marketmaking system. Page 5: Editorial Comment, Page 17; Lex.

Japan and US seek to ease Island tension: President Bill Clinton and Ryutaro Hashimoto. J an's prime minister, have agreed a joint commit-te, should consider the redeployment of the 47,000 US military personnel stationed in Japan, possibly to reduce the heavy concentration of forces and

ease the continuing tension on Okinawa. Page 5 Helneken is poised to become the largest brewer in Italy through its purchase shortly of Moretti from Interbrew, the Belgium brewer of Stella

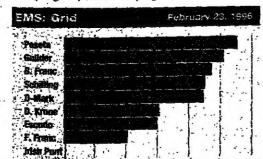
Artois. Page 19 Umbro founders plan lawsuit: Members of the family that founded Umbro, the Manchester-based sportswear manufacturer in the UK, are planning to take legal action against its US parent which is pre-paring to float Umbro later this year. Page 20; The Big Red Steamroller, Page 12

WTO chief orges ambitious trade goals: Renato Ruggiero, director-general of the World Trade Organisation, called on member governments to commit themselves to achieving multilateral trade system goals at least as ambitious as those they are pursuing in regional trade arrangements.

Cricket World Cup: England suffered a 78-run defeat when they were dismissed for just 152 by South Africa who had scored 230 at Rawalpindi, Pakistan, Pakistan marked their opening match with a convincing nine-wicket victory over the United Arab Emirates at Gujranwala, Pakistan. The match was reduced to 33 overs after rain.

European Monetary System: There was no change to the order of currencies in the EMS grid last week, but the spread between strongest and weakest widened by nearly one percentage point. This coincided with a slight retreat by the dollar,

hough it was bolstered by Bank of Japan support. German investors nervous about prospects for Emu, Page 21; Currencies,Page 27



0 4 14 2% 3% 4% 5% 6% The chart shows the member currencies of the exchange rate mechanism measured against the weakest currency in the system. Most of the currencies can fluctuate within 15 per cent of agreed central rates against the other members of the mechanism. The exceptions are the D-Mark and the guilder which move in a narrow 2.25 per cent band.

_					_	
Albania		Germany			Lis 15.00	Otto OR13.00
Austria			Dr400			S.Arable SR12
		Hong Kang		Make		SingeporeS\$4.30
	- BF:75			Marocco		Slovek Pp Sk65
	LW130.00		K230			S. Africa P12.00
Cyprus		India .		Nigeria		Spain Pta250
	. K560		Shk7.90			Sweden SK(20)
	DK/18			Ontare	ORI AD	Switz 5R9.70
Egypt				Pelastan		Syste SE85.00
-	90-22	Jordan ·		Polanci		Tunisia Oin 1.750
Goldend (:FM15.50	Kunntel		Fortugal		Turkey L70,000
Company of the Compan			116 200		E-240	(IAF Oh12.00

Bosnian leaders accused by UN of Palestine suicide bombers kill 25

Two Hamas attacks in Israel hit Peres' election chances

By Julian Ozanne in Jerusalem

Palestinian Islamic bombers yesterday killed 25 people in two borrific suicide attacks in Israel, dealing a blow to the electoral chances of the Labour-led coalition government and the fragile Israeli-Palestinian peace process.

The bombings of a Jerusalem commuter bus and a soldiers' hitch-hiking post in southern israel provoked grief and outrage across Israel, as well as disillusionment with a peace that has apparently not guaranteed mproved personal security. The Hamas Islamic Resistance

Movement, which opposes the Israeli-Palestinian peace accords, claimed responsibility for the attacks and said they were to avenge Israel's killing last month of Mr Yahya Ayyash, a Hamas master bombmaker known as "The Engineer".

Mr Shimon Peres, Israel's prime minister, sealed Israel's borders with the Gaza Strip and West Bank and suspended peace talks, but vowed that terrorism would not defeat peace.

Mr Peres, who has recently enjoyed a lead of up to 20 points over rightwing Likud leader Mr Benjamin Netanyahu, refused to be drawn on the impact of the bombing on his electoral campaign. Aides said a wave of

bombings could spell disaster for the government in the May 29

Angry crowds jeered the vet-eran Israeli leader when he visited the blood-soaked scene of the Jerusalem bombing, where an Islamic extremist had detonated a 10 kg bomb packed with ball bearings and uails on a bus taking people to work in the morning rush hour.

Several people gathered at the charred wreck of Bus 18 and chanted "Peres go home" and "Death to Araba". Twenty-three people died in that attack and two at the hitchhiking post. The bombers were among the dead.

Mr Yasser Arafat, the Palestinian president, condemned the bombings as an attack on the peace process. "This is not a military operation, it is a terrorist operation," he said. "I condemn it completely and I condemn any

power behind it."
US President Bill Clinton said
the bombings "offend the conscience of the world" and must be brought to an end.

The bombings, which caused the highest death toll in Israel since the Israeli-Palestinian peace deal in 1993, broke Hamas' six-month unofficial truce and threaten to re-ignite a wave of devastating terrorist attacks. A Hamas leaflet called the



Rescue workers and police searching for clues inside the commuter bus destroyed by Palestinian bombers in Jerusalem

attacks an "intelligence and military victory" to avenge the killing of Mr Ayyash, and warned of more attacks against Israel if "the occupier enemy" struck against Hamas "fighters and wanted heroes".

The leaflet suggested Hamas

attacks on Hamas activists and released Hamas prisoners.

Mr Peres vowed not to surrender to Islamic attacks. "We know this a brutal war but we have no intention of giving in to Hamas. Terrorism, however painful, will

not determine our fate." Aides said the prime minister was deeply concerned about the

prospect of further attacks with the election campaign, due to open officially in six weeks. A wave of bombings could swing security-conscious Israelis towards the Likud party, which has criticised the Israeli-Palestinian peace process as harmful to

Mr Netanyahu refused yester-

Israel's security interests.

have plenty of time in the coming days and months to argue about the way to achieve peace and

day to condemn the government

on a day of national mourning, but said: "Believe me, we will

Continued on Page 18 Bombs pile pressure on peace

Pentagon to identify arms deals suitable for **UK** groups

By Bernard Gray, Defence Correspondent, in London

TIS officials have been told to draw up a list of arms contracts worth several billion dollars which could be awarded to British manufacturers.
The move follows complaints

from the British government that its big purchases of Ameri-can arms have not been matched by orders from the Pentagon. Mr Paul Kaminski, the US defence under-secretary for acquisition and technology, has asked for a report on possible

international collaboration, designed to identify arms pro-grammes which could involve the UK. The report is due to be submitted by mid-March. The US efforts follow remarks in Washington by Mr Michael Portillo, UK defence secretary,

that there had to be a "two-way street" in arms equipment between Britain and the US if the British market was to remain open to US firms.

The US fears its companies' prospects in several large cur-rent UK defence competitions could be endangered if it does not give British arms manufac-turers a better chance of competing for US orders.

competitions for a £2bn (\$3bn) order for maritime patrol aircraft and £2.5bn worth of missile programmes. Several large UK projects have recently gone to the US, most notably the £2.5bn order for tank-busting Apache helicopters and a £1bn order for Hercules transport aircraft. These deci-

sions have damaged British rela-

tions with continental European countries and have threatened to bar Britain from the new Franco-German arms agency.

The Pentagon's list of possible programmes which could go to the UK include a \$1bn US Navy and Marine Corps order for aircraft laser designators which

US seeks UN action over Cuban air attack

and Nancy Dunne in Washington

The US yesterday called for an emergency meeting of the UN security council to develop an international response to the shooting-down of two small private aircraft by Cuban fighter

jets on Saturday.
Mr Warren Christopher, US
Secretary of State, said the "law-less and tragic" incident was "totally without justification" and should be addressed internationally because it was a viola-tion of international law. He said it had occurred in the Florida Strait and was ordered by Cuba's

"highest military authorities". fiee the regime of President Fidel right wing Cuban exiles in favour peaceful dialogue was not President Bill Clinton will be Castro. Four men were on board Miami. The shooting comes amid likely to help the process of negopresented with "a range of options" produced during a meeting of the US National Security Council yesterday at the White House.

Mr Christopher said the US would consult its allies about a multilateral response, but the US would also act unilaterally. Washington's response is likely to include an end to the recent easing of US restrictions on contacts with Cuba.

by Brothers to the Rescue, a Miami-based Cuban exile group which aids Cubans seeking to

waters, but it was not clear last night whether the shooting took place in Cuban airspace. Mr Clinton condemned the

The two aircraft were owned

area for wreckage.

"broad daylight" incident and demanded an explanation from the Cuban government. He ordered US forces to scour the

and are assumed to have died.

The aircraft are believed to

have ditched in international

The Cuban government was unrepentant. It said the two air-liners were "pirate" aircraft which violated its airspace as part of a hostile campaign by

attempts by the Cuban government to improve its image and canvass increased international support for an end to the US trade embargo.

Measures have included moves to negotiate a co-operation agreement with the European Union, which would lend weight to Havana's argument that current US government policy towards Cuba is anachronistic and self-defeating.

European diplomats said the Cuban government's uncompromising attitude towards even moderate political opponents who

This announcement appears as a matter of record only

tiations for an EU-Cuba co-operation accord. The US government recently

eased currency, travel and trade restrictions on Cuba and seemed likely to move towards a lifting of the decades-old trade sanctions if Mr Clinton won a second term. In July, Brothers to the Rescue members flew over Havana dropping leaflets calling for the overthrow of Mr Castro. The Cuban government warned that it would intercept or bring down such air-craft, and the US Administration warned the group to avoid Cuban

Centre-right parties in Turkey set for new coalition talks

By John Barham in Islambul

Leaders of Turkey's two rival conservative parties are expected to try again to form a coalition government after the collapse at the weekend of negotiations between the Islamic Refah party and the conservative Motherland

The talks between Refah and Motherland foundered on differ-ences over economic policy and the running of the government body which controls and finances Turkey's mosques. Mr Mesut Yilmaz, the Mother-US companies are tendering in

land leader, is now likely to resume negotiations with Mrs Tansu Ciller, caretaker prime minister and head of the True Path party. There were high-level contacts between the two centreright parties over the weekend. But Mr Yilmaz's position is weakened because he broke his election promise not to talk to Refah, while Mrs Ciller can present herself as champion of the secular state. True Path strategists believe they are poised for victory in the battle with Mother-

land for control of Turkey's centre-right, which traditionally represents half the electorate. Mrs Ciller and Mr Yilmax bave Continued on Page 18 the December general election

left Refah as the largest single party in parliament, with 158 of the 550 seats, and True Path and Motherland with 135 and 133 respectively. Two smaller leftwing parties hold the remainder. The two centre-right parties ahare the same pro-western, free market policies, but deep per-sonal animosity between the

leaders has prevented a deal. Their talks have repeatedly failed, as both parties want to hold the premiership in any coalition .- True Path arguing that it won more votes, Motherland that it won more seats.

Observers say President Süleyman Demirel could now assume a crucial role in forcing the two centre-right parties to find a compromise and so avoid fresh elections. Under the constitution, Mir Demirel is required to call elections if a government is not formed by mid-March.

Mrs Tansu Ciller said at the weekend: "A government will ment, Motherland and True Path can set up a government." After talks with Mrs Ciller

failed. Mr Yilmaz went back on campaign promises not to deal with Refah. He and Mr Necmettin Erbakan, Refah's leader, met six

Continued on Page 18

Management Buy-in Development Capital £24,000,000 £5,100,000 **SOUTHALLS HYGIENE** CORINTHIAN **SERVICES** MARKETING PLC Jointly led, arranged and structured by Arranged and financed by **MERCURY** DEVELOPMENT **MERCURY** CAPITAL DEVELOPMENT CAPITAL and 3i plc Debt finance provided by Bank of Advisors and accountants Deloitte & Touche Reporting Midland Coopers & Lybrand Development Capital Management Buy-out £3,500,000 Ir£13,500,000 WHEWAY LIFESTYLE PARC INTERNATIONAL GROUP The Sanctuary, Covent Garden Led, arranged and financed by Arranged and financed by **MERCURY MERCURY** DEVELOPMENT DEVELOPMENT CAPITAL CAPITAL Debt finance provided by Debt faunce provided by Price Waterhouse

Mercury Development Capital is a division of Mercury Asset Management plc, regulated by IMRO

CONTENTS

Week Ahead Observer ..

FT/SEP-A With Indicate ____ 22

LONDOM - LEEDS - PARIS - FRANCIPIERT - STOCKMOUM - MADRIO - MEW YORK - LOS ANGELES - TOKYO © THE FINANCIAL TIMES LIMITED 1996 No 32,918 Week No 9

Dini's plans for new party improper, says Berlusconi

By Robert Graham in Rome

Italy's centre-right yesterday claimed that it was improper for Mr Lamberto Dini to stay on as caretaker prime minister after his decision to create a moderate centre party to contest the general election in April.

"In a game of football, you would never find the referee and linesman playing for one of the two sides," said former premier Mr Silvio Berlusconi, who owns AC Milan, the current football League champions, and heads the rightwing alliance.

tion as prime minister to holster his chances in the elections.

The alliance claimed Mr Dini would unfairly enhance the electoral prospects of the centre-left alliance which provided parliamentary support for his government.

Mr Dini, recruited from his post

as director-general of the Bank of Italy to be treasury minister in the 1994 Berlusconi government, announced his decision late on Friday. He resigned as premier on January 12, but has become caretaker

The right is concerned that Mr following the failure to form a new Dini will be able to exploit his posi- government and the dissolution of government and the dissolution of parliament last weekend.

Mr Dini has been under intense pressure from a variety of parties to enter the political arena formally. He has staked out his independence but made it clear the centre-left alliance, dominated by the Party of the Democratic Left (PDS) is a logical

Pollsters suggest a centre party headed by Mr Dini, who will almost certainly stand in his native Florence, could obtain 8 per cent of the

whose Forza Italia movement risks losing votes to Mr Dini.

He said: "We wish to express our profound bitterness to the head of state over the way a government considered neutral and in place to guarantee Italy's European presidency should today become a party to the election campaign beside the Olive [the symbol of the centre-left

The most prominent ally of Mr Dini in his new venture is Mr Mario Segni, the former Christian Demoease with the PDS-controlled centreleft alliance.

But Mr Dini has also found supporters among former members of the now defunct Socialist party and from Mr Vittorio Cecci Gori, a senator for the centrist Popular party (PPI) who is trying to create a third television network round his newly acquired channels. Telemontecario and Videomusic-

Mr Dini's task will not be easy. Mr Massimo D'Alema, the PDS leader, bluntly warned him against

The strongest protest over his move came from Mr Berlusconi. crat leader of the referendum move trying to break Italy's nascent bipomove came from Mr Berlusconi. ment, who has found himself ill at This was seen as a reminder that Mr Dini had been able to survive and prosper as premier last year thanks to the PDS and its allies. Some of these allies - especially the former centrist PPI - see Mr Dini as a direct competitor for their elec-

The entry of Mr Dini also raises question marks about the position of Mr Romano Prodi, the former head of Iri, the state holding company, chosen last year to head the centre-left "Olive" alliance.

Mr Prodi has failed to establish a strong public image and Mr Dini is now a rival for the prime minister's

job after the elections. In what seemed a curious coincidence, Mr Prodi was informed by magistrates last Friday that he was under investigation for alleged abuse of office while running hi m

The incident concerns the privatisation of the foodstuffs group, SMR. Mr Prodi said over the weekend that he had a clean conscience and refused to be blackmailed over the

Siberian oilmen welcome cash flight

Companies seek ways of avoiding cycle of debt. reports Chrystia Freeland

very few months Vitali, Sasha and Dima put on long, woolly underwear and three pairs of socks, and strap on pistols before boarding a rickety Aeroflot jet headed for Siberia with almost a third of a million dollars' worth of crisp new roubles in their carry-on luggage.

Depending on the weather, their arduous journey - a 3½-hour flight from Moscow to the Siberian city of Novyi Urengol, followed by a frigid 90-minute ther north to the small settlement of Gaz-Sala - can take as

long as four days.
But, in the wild world of post-communist Russia, dispatching three armed security guards loaded with 40lb of cash is the most efficient way to pay the workers of the far north who produce the oil and gas which is their country's life-

Vitall, Sasha and Dima represent one of the countless cumbersome and costly strategies which Russian businesses adopt to navigate the wave of wage arrears which threatens to engulf the economy.

Unpaid wages, which total at least Rbs20,400bn (\$4.3bn) according to official statistics, are one of the country's most crippling economic problems and have become a central issue in the campaign for the June presidential elections.

In an effort to appease disgruntled voters, many of whom have not seen wages for several months, President Boris Yeltsin last week promised to resolve the wage arrears crisis completely by next month.

It is a politically attractive pledge, but many economists have warned that it will be lin owes only Rbs3,500bn to government employees such as doctors, teachers and soldiers. The rest is owed to workers in privatised or partly privatised

The tenuous financial life of Zapoliarneftegazgeologia exploration company which is periodically bailed out by the cash-couriers from Moscow.

You're always

switching lights

off, lowering

the thermostat,

you even

count all the



Revellers dance around a burning dummy symbolising winter, in Moscow's Gorky Park, in festivities marking the end of winter.

suggests how difficult it is likely to be for many compa-nies to find their way out of the maze of Russia's fledgling market economy.

Like many Russian companies, ZNGG - the sole employer for the 3,000 residents of Gaz-Sala, a snowbound settlement north of the Arctic Circle - bas brilliant prospects, but today leads a miserable, hand-to-mouth exis-

As an oil and gas exploration company, it has the right to acquire valuable production licences. That made ZNGG an attractive buy for Nipek, an aggressive Russian investment company based in Moscow which bought a majority stake last year. But to gain de facto control, the new owners had to fight a pitched battle with the nearly six months and crippled

the company. "The enterprise was paralysed by this war," says Mr Joseph Piradashvili, the new. Nipek-appointed director.

Like thousands of potentially profitable Russian companies, ZNGG is caught in a web of debts from its clients and enormous, unpredictable tax bills. The company owes Rbs42bn in taxes, but the government and Gazprom. Russia's monopoly natural gas exporter and the country's richest concern, owe ZNGG Rbs30bn.

The main victims of the financial crunch are ZNGG's 2,000-plus employees.
"The most difficult thing for

me is psychological," said Mr Piradashvili, a multilingual former theoretical physicist forced into commerce by the collapse of the Soviet Union. People come to me with tears in their eyes and beg for their wages and I must be hard and refuse. I have become like that caricature of an evil capitalist whom we used to read about as schoolchildren."

But Mr Piradashvili and his bosses in Moscow are doing tion, and some fancy legal foot-their best to keep ZNGG affoat work, allow ZNGG to dance

because they know that if the company stops operating it will not be awarded the promised oil and gas production

Since Nipek took effective control of ZNGG, it has reduced overall wage arrears from Rbs9bn to Rbs4bn. To do that, Mr Piradashvili has resorted to some creative manoeuvres. Using the security guards, who delivered Rbs1.5bn to pay wages earlier this month, is one example. One advantage of the couriers is that they allow Mr Piradashvili to avoid the walloping 7 per cent commission local banks charge for cash withdrawals.

Moreover, the cash transac-

around crippling financial regulations which can make it impossible for indebted companies to pay their workers. If Nipek were to put money

Over the next four months

directly into its new subsid iary's accounts to pay wage arrears, the money would be claimed immediately by the government to go towards ZNGG's tax bill Mr Yeltsin has promised to

bring Russians a modern market economy where wages and taxes are paid on time. But, for the people of Gaz-Sala and other remote Siberian settlements, Russia has over the past four years become a byzantine place where wages are paid from suitcases delivered by armed messengers, or not at

Brussels may take softer line on anti-dumping

By Caroline Southey

The European Commission could shortly agree to turn down two requests from industry to impose duties on "dumped" imports from third countries, providing fresh evi-dence that the Commission is moving towards a more discriminatory anti-dumping pol-

icy.
Two highly sensitive cases involving 3.5 inch floppy disc (mini-disc) imports from Hong Kong and hydraulic excavator imports from South Korea are under review by the Commission. Final decisions are not expected until next month at the earliest, but there are indications that the Commission could recommend that in nei-ther case could it find any evi-dence of dumping - pricing exports at levels below those in the exporting country.

If the Commission decides not to impose duties in these two cases, it would indicate that the EU is becoming less protectionist and more critical in its review of anti-dumping

Pressure has been mounting on the EU to review its antidumping policy, following criticisms that its aggressive approach against imports ranging from electronics components to raw materials was undermining global trade liber-alisation and sheltering inefficient producers. The EU already has already

imposed duties on micro-discs imported from Hong Kong and a number of other countries. At the request of European producers, it has been investigating whether there is a need for additional measures. The investigation has also covered eight other countries. including Malaysia and the Philip-

The micro-disc case is particularly sensitive because the Commission is, for the first time, looking at "circumvention" practices in these countries. This involves establishing whether countries have moved production in order to avoid anti-dumping measures.

are controversial because there are no rules governing such practices under the World Trade Organisation. Disagree-ments among WTO members during the last world trade talks meant the issue was left unresolved, despite earlier US pressure for the inclusion of a tough clause on circumven-

In the case of the export of excavators from South Korea. recent evidence suggests there is little evidence of large-scale dumping. At the same time, EU producers who initially sought the investigation appear less concerned about dumping following a strong recovery in the market.

The complaint, initially filed by the Committee for European Construction Equipment, covered self-propelled excavators weighing more than six tonnes. Early last year Cece said it believed continued dumping by the South Koreans could, in the long term, force

Spend more, French told eight radio networks since Feb-

By Andrew Jack in Paris

The French government this weekend wound down a publicity campaign designed to help boost sluggish consumer spending, which had met with a mixed reaction from the advertising profession.
Two weeks of appeals on

national radio stations appear to have done relatively little to boost interest in a series of measures designed to help stimulate the economy.

The campaign, jointly co-or-dinated by the Matignon, the prime minister's office, and the ministry of economics and finance, ran under the slogan: "Recovery... we'll bring it about together."

At a time of calls for budgetary rigour, the government the campaign - running on people aged 20-60.

ruary 10 - were just FFr7m (\$1.4m), and were produced by a freelance rather than by an

expensive advertising agency.

They involved testimonials with seven people describing how they would be taking advantage of a series of measures announced by ministers in the last few weeks.

The measures include tax deductions on loans taken out to spend on consumer goods; er interest rates to renovate or buy accommodation: and similar discounts for borrowing by small business and local

The government estimated that the radio broadcasts, scheduled to go out at peak listening hours, should have been heard on average eight stressed that the total costs of times by 80 per cent of French

of gloomy predictions about Arthuis, French economics minister, launching the new initiatives at the end of January, conceded that growth was lower than expected, but argued it would recover during the second half of the year.

Some economists are more sceptical, and argue it is now unrealistic to expect France to be able to reduce its budget deficit to 3 per cent by the end of next year to comply with the Maastricht treaty ahead of monetary union.

The measures themselves have also come in for criticism, with bodies such as the Patronat, the French employers' federation, arguing that business investment rather than consumer spending is the way to nelp relaunch the economy.

INTERNATIONAL NEWS DIGEST

Gunfights in Bangladesh

Opposition militants clashed with police and fought gun battles with government supporters yesterday in a campaign to force Bangladesh's newly re-elected prime minister. Begum Khaleda Zia, from power. Opposition leaders fled their homes as police searched the country on the second day of a violent non-cooperation campaign that has cost two lives and injured 130 people.

Witnesses said only rickshaws and a few state corporation buses moved in Dhaka yesterday. Trains, ferries and inter-city buses were mostly not running. The country's two stock exchanges, in Dhaka and Chittagong, were closed. Only senior employees turned up in government offices. Private offices were closed. Most banks kept their doors shut.

Today is the last day of a 72-hour national stoppage called by opposition parties to protest at the alleged unfairness of the recent general election. Reuter, Dhako

Violence growing in Egypt

Egyptian security forces yesterday said that attacks by Moslem extremists on villages in the southern province of Assint which killed eight people over the weekend had brought to 24 the number of people who have died over the past 10 days in militant violence which continues to plague isolated parts of Upper Egypt.

Until the latest spate of attacks the violence had been

contained to a number of areas in the Minya province, but the spread to other areas has concerned local authorities who thought they had successfully dealt with the problem. In an interview with a local magazine yesterday Mr Hassan al-Alfi, interior minister, said he would again upgrade the level of security forces in the region "to strike at the remaining handfuls of terrorists".

Last week, the militant group responsible for most of the attacks, Gama'a al-Islamiya, warned of increased operations in Upper Egypt and in Cairo, which has been free of militant James Whittington, Cairo violence for more than a year.

Seoul boost for foreign investors

The ceiling on the foreign ownership of listed South Korean companies will be raised to 18 per cent from 15 per cent from April 1, the finance and economy ministry said yesterday. The measure is meant to help win approval for South Korea's entry into the Organisation for Economic Co-operation

and Development this year, while also boosting the sluggish Seoul bourse ahead of parliamentary elections in mid-April. The ceiling on individual foreign investment in a listed company will be increased from 3 per cent to 4 per cent. Total foreign investment in two "strategic" state companies,

Pohang Iron & Steel and Korea Electric Power, will be raised to 12 per cent from 10 per cent, although the limit on individual foreign stock ownership in these companies will remain unchanged at 1 per cent. John Burton, Seoul

Korean banks' bad loans rise

Bad loans of South Korea's 25 commercial banks rose by 19.2 per cant to Won2,290bn (\$2.9bn) last year, although the ratio of non-performing loans to total lending remained unchanged at

0.9 per cent. Seoul Bank had the largest amount of bad loans at Won520.6bn - 2.6 per cent of its total loans.

The Office of Bank Supervision said the ratio of bad loans to total lending was the lowest since the late 1980s. This follows an aggressive write-off of non-performing loans in the last few years, with the government encouraging banks to clear their books of bad debts by 1998. Total lending also increased faster than the growth in had loans last year. than the growth in bad loans last year.

The jump in the non-performing loan amount was due to the bankruptcy of several big corporate borrowers and a sharp

rise in credit card loan defaults. However, most bank analysts believe the extent of the bad loan problem is much larger than admitted by the

Chechen fighting may spread



Russia's protracted and unpopular war in Chechnya threatened to spill into the neighbouring region of Ingushetia, when Russian forces pounded an Ingush rillage with artillery fire for the fourth day yesterday.

(Left: a Russian conscript has breakfast in Ingushetia.) Russian officials denied they had attacked Ingush targets and said they were trying to flush out Chechen separatist fighters from a nearby Chechen town, but witnesses confirmed that Russian guns were firing on the Ingush town of Arshty. The Ingush have close

ethnic, religious and historical ties with their Chechen neighbours, but the region has carefully avoided being drawn into the fighting since it began 14 months ago.

Ingush officials said yesterday an agreement had been made on a Russian withdrawal, but there was no confirmation from Moscow. The Ingush said up to 6 civilians had already died in the fighting on their territory and warned that Moscow's actions risked spreading the war beyond the borders of Chechnya. Some Ingush leaders have accused hardliners in the Russian military of deliberately seeking to escalate the conflict to create a pretext for a postponement of June presidential elections.

President Boris Yeltsin has repeatedly pledged that the ballot will be held on time, He has also promised a swift end to the bloodshed in Chechnya but has yet to produce a workable peace plan. Chrystia Freeland, Moscow

BBC World on move in Asia

BBC World, the BBC's international news and information channel, will from April 1 transmit to South Asia, one of the channel's biggest audiences, from Pan-Am Sat 4, when its present agreement with Mr Rupert Murdoch's Star TV expires at the end of March. BBC officials said they had agreed a long-term lease of a PAS4 transponder with the aim of safeguarding the British broadcaster's second biggest international audience outside Europe. BBC World claims to reach 8.5m homes in India and 12m in South Asia. Star TV will continue to handle BBC World's advertising in the region. Star also said it would continue to discuss "distribution opportunities" with the BBC. Mark Nicholson, New Delhi

End Emu debate, Kohl pleads

By Andrew Fisher in Frankfurt

German Chancellor Heimut Kohl yesterday called for an end to discussion about the timing and membership of European monetary union and said he opposed moves to delay its start beyond 1999.

His comments, in a televi-sion interview, came and growing uncertainty among German businessmen - especially at small and mediumsized (Mittelstand) companies - "
and the public about Emu's implications. Many private investors are also shying away from the purchase of securities which mature after Emu begins and the D-Mark is

replaced by the Euro. Mr Kohl firmly repeated the Bonn government's view that Emu must be based on strict. adherence to the Maastricht treaty's economic criteria and begin on schedule on January 1 1999. He said his emphasis on the need for stability did not mean he favoured a postpone-

ment of Emu beyond 1999. "Stability has always had the absolute priority for me," he said. "But you cannot read that to mean that I am for a postponement of the timetable absolutely not." Much recent debate on Emu has centred on whether enough countries will qualify to start Emu in 1999 and whether, if not, the plan should be delayed or the crite-

ria softened. "I think we should stop this discussion over who is coming now or who can and who cannot [become a member of monetary union]." Mr Kohl added. "Everyone has to do his homework. We Germans have a lot to do in this area." Germany. exceeded the Maastricht criteria on public deficits last year the treaty states should be no more than 3 per cent of gross domestic product and also expects to overshoot

in 1996.
Mr Theo Waigel, the finance minister, denied a newspaper story that his ministry had prepared a report to the German parliament's finance committee saving falling tax revenues and plans to cut unemployment would push the public deficit so high that the criteria would also be missed in 1997. He called this "pure specula-

The report, in Bild am Sonn-tag, the Sunday tabloid, said Germany would miss the target next year with a deficit of around 4 per cent of GDP compared with the 3.5 per cent forecast for 1996. It said this would be caused by falling tax revenues as a result of the weak economy and the impact

on spending of plans to cut high unemployment.

"Who can say today that we won't fulfil the criteria in 1997?" Mr Waigel said. He pointed out the 1997 budget was not yet adopted and the impact of the recent 50-poin: jobs plan was still unclear. He insisted that the government still held to the 1999 starting date for currency union. Investors nervous, Page 21

THE FINANCIAL TIMES
Published by The Financial Times (Burope)
GmbH, Nibelungemplatz 3, 60318 Feankfurr am Main, Germany, Telephone +449
69 156 850, Fax +449 69 996 4481. Represented in Frankfurt by J. Walter Brand,
Wilhelm J. Brüssel, Colim A. Kermand as
Geschäftsfürter and in London by David
C.M. Bell, Chairman, and Alan C. Miller,
Deputy Chairman, Shareholders of the
Financial Times (Europe) Lud, London,
Financial Times (Europe) Lud, London,
Shareholder of the above mentioped two
companies is: The Financial Times Limited,
Number One Southwark Bridge, London
SEI 9HL.
GERMANY:

SEI 9HL
GERMANY:
Responsible for Advertising: Colin A. Konnard. Printer: Hurrivet International
GmbH. Admiral-Rosendahl-Strässe 3a.
63.563 Neo-Isenburg ISSN 0174 7363.
Responsible Editor: Richard Lambert, cto
The Fittancial Times Lumited, Number One
Southwark Bridge, London SEI 9HL.
FRANCE:

FRANCE:
Publishing Director: P. Maraviglia, 42 Rue
La Boètie, 75008 PARIS. Telephone (01)
5376 8254. Fax (01) 5376 8253. Printer:
S.A. Nord Edair, 1521 Rue de Caire,
F-59100 Roubaix Cedex I. Editor: Richard
Lambert. ISSN 1148-2753. Commission
Paritaire No 67808D.
SWEDDEN.

Responsible Publisher, Hugh Carnegy 468 618 6088. Printer: AB Rvellstidningen Expression. PO Box 6007, S-550 06.

O The Financial Times Limited 1996. Editor: Richard Lambert, of The Financial Times Limited, Number One Scuthwark Bridge, London SEI 9HL.

paper clips. Have we got the copier for you. Like you, we think a photocopier should be both reliable

To see how our range of copiers could improve your

productivity please call 0800 262 958 SHARP

and quote reference CFT M5.

Spaniards vote next Sunday, choosing between Socialists and the Popular party. David White looks at the parties' chances and the way the electoral system works

Aura of power now attached to Aznar

"This is not about who wins, but by how much," Mr José Maria Aznar said at the launch of the Popular party's campaign manifesto in Spain three

)ate,

hl

ads

The second secon

100 100

The state of the s

Prisone -

12000

· Fr Mary Mile

50 - 100 mag

- - V: // HERE

1000年 The Delice of

The RESERVE

小部門では 神経性

CHIEFE E

Comment of the second

- - Tep 5 5320

100 C 100 M2

10.170

. 44 M : W

THE REPORT

. ಭಟ್ರ ಜನ್ಯ

2 - 140 mm 199

17 £ 17

121 600 TAGE

weeks ago. His confidence has been vindicated by pre-election opinion polls. With less than a week to go, it would take an amazing upset to deny the centre-right party its first general election

Mr Aznar himself, 43 yesterday, has become more selfassured, less stiff, as if the aura of power were already attaching itself to him.

The PP never really accepted

its defeat at the last election three years ago. A repeat of that reversal, when the ruling Socialists unexpectedly snatched a fourth consecutive victory, looks ever more

Weekend polls in four main newspapers showed the PP ining ground, with a lead of between 8 and 11.6 points, probably enough to govern on its own, although only one put it clearly above the 176 seats needed for an outright major-

ity in Congress. With such consistent expectations, the PP is fighting against complacency in the closing stages. As Mr Aznar made clear at the outset, the arithmetic of seats will be cru-

His plans for overhauling Spain's administration depend greatly on being free to govern. without having to strike deals

with smaller, regional parties. Mr Felipe Gonzalez, the 53-year-old prime minister, in his busiest and toughest campaign since coming to power in 1982, is trying to keep Socialist party hopes alive, saying it is really a stone's throw from the PP. But Socialist leaders, demoralised by the impact of corruption and other scandals, are all but resigned to defeat.

They are running a defensive "Spain, the positive side" - trying to rally supporters to the defence of Spain's welfare sysswear they are not trying to

The Socialist message relies heavily on the theme of a hidden PP agenda.

"It's not the best campaign of our history," says a long-standing Socialist regional leader. He gives the PP seven marks out of 10 for its campaign, and his own party four.

The PP is running under a less obscure motto - "With the new majority" - clearly designed to convey the idea of a bandwagon ready to be

Its campaign has been orderly and tightly controlled. Nobody has been caught mak-ing gaffes such as praising General Franco - as a candidate did during last year's municipal elections - and Mr Aznar has resisted being drawn into slanging matches. The party has kept up an image of unity. "In Spanish parties you cannot afford to bring internal debates out into the open," says a senior PP pol-

The Socialists, by contrast, have been in disarray, with factions squabbling over places on lists of candidates. In Vigo, the centre of last year's European-Canadian fishing conflict, they threw chairs at each

The Socialists have bolstered their candidates' list by recruiting non-MP members of government such as Mr Pedro Solbes, finance minister, and Mr Juan Alberto Belloch, justice and interior minister. The PP, meanwhile, has broken its own rule that people should not be mayors and MPs at the same time by fielding its popular women mayors in the Andalucian cities of Cadiz and Málaga. It is looking for big gains in Andalucia, which is holding regional elections at the same time.

The Socialists have adopted provocative tactics, outraging the PP with television spots depicting "negative Spain" in sinister black-and-white sinister images including a savage Doberman. In Catalonia, Socialist posters show Mr González's eyes next to Mr Aznar's moustache. "Felipe or Aznar - you decide," they say.
"Never has it sunk so low,"

says Mr Aznar. But, in an elecviolence, the Socialists also accuse the PP of dirty play in attacking the government's

Opinion polls - often unreliable, and prohibited after today - have been consistent in reckoning the PP's share of the vote at around 41-42 per cent. They differ much more in their estimate of the drop in the Socialist party's vote, and the gains for the Communist-led United Left (IU), out to beat the Communist party's late-

An old Spanish voting practice ripe for reform

gress of Deputies will be unknown even to the people who vote for them. So were most of the outgoing Congress.

The reason is an electoral system conceived to smooth Spain's return to democracy but now regarded by the main political parties as needing

The parties loom large in anish public life, but parliament and its proceedings

Both the Socialists and the centre-right Popular party are now for the first time proposing changes. The thrust of their proposals is to allow voters to express preferences between individual candidates rather than having to opt, as now, for fixed lists drawn up

by the parties.

The faces on electoral posters all over Spain are the No. 1 candidates on party lists. But in almost every case, both the PP and the Socialist candidates. on the posters are certain to be elected. The election determines how many others get in

The constituencies are the 50 provinces of the Spanish mainland and islands, plus the North African enclaves, Ceuta and Melilla. The seats are distributed according to the constituency of the constituencies are the 50 provinces of the Spanish mainland and islands, plus the constituencies are the 50 provinces of the Spanish mainland and islands, plus the constituencies are the 50 provinces of the Spanish mainland and islands, plus the North African enclaves. tributed according to population. But, with a minimum of three per province, the ratio varies. Barcelona's 31 deputies work out at one for every 126,000 electors; rural Soria

gets one for 26,500. Each party or coalition presents a list of candidates, num-Seats for each constituency are

Most of the 350 men and women who will be elected next Sunday to Spain's Connamed after its Belgian inven-

It goes like this. The number of votes received by each party is divided successively by one, two, three and so on up to the total number of seats at stake. The resulting figures, placed in order, determine how many from each list are elected.

The effect of this peculiar way of counting is to give the bigger parties more than their relative weight - a deliberate distortion designed to strengthen the party structure and make the country more

easily governable. A party can feasibly get a majority of seats with under 40 per cent of the vote; the Social-ists did it in 1989. But if there is a strong second party, a larger share is needed. The Communist-led United

Left wants a more proportional system and an increase in the size of Congress from 350 to 400 members. This contrasts with the proposals of other parties, which focus on "unblocking" the electoral lists.

A wider consensus exists on reforming the Senate. On Sunday voters will elect 208 of the 256 members of the upper house. Each province gets four senators, with more for the islands. In this case, voters get to choose names. The remaining senators are currently nominated by the 17 self-

governing regions.

The planned reform - which requires changing the constitution - would make it into a fully regionally based body. consolidating the devolution fered in order of preference. process that has taken place

Spain goes to the polls

party is the country's oldest

the Socialists lost support to both the PP and IU. Socialist

planners do not expect to

Their result will depend on

how much of a "useful vote" they can win away from IU and

suading people not to abstain.

Abstention, 20-30 per cent in previous general elections, has become more the left's problem

than the right's.

1974. Losing

the first two elections in the late 1970s to Union of the tre, he forced the party drop its Mandat label. In

been led by

povernment since a landal vin in 1982, it has struggled for the last three years without a parliame



founded in the early post-Franco

The polis

1969 results in brackets

the political centre. It led short victory in 1993 but has since European, regional and municipa contests and now leads the

principal underground force pposing the Franco regime. IU has provided a home for dissident Socialists, ecologists and independents. Led by Julio Anguita a severe critic of Socialist the party attracts a protest vote

108-145 (159)

40.5-44.1% (34.8%)

11-15% (9.8%)



The Convergencia i Unio nationalists and Chri emograte and has been the mainstream political group in Catalonia since the early Puiol, now in his fifth term as Cetalen president, precipitated the general election by withdrawing support from the minority Socialist government las

s a century-old formati founded on the principle of a parate Basque identity. It is the dominant party in the Basque regional government, but, after a hism in the mid-1980s, has had to rely on alliances with other parties, including the Socialists, its leader is who, under the party's peculiar rules, cannot hold

The parliament: Congress of Deputies, 350 seats 10 seals

Millions of Spaniards are still undecided. PP strategists say 500,000-700,000 will proba-bly make up their minds at the 0.8-1.5% (1.2%) last minute. And, in a country where lotteries have a longer "Ranges of operior results published in the last two weeks by ABC, El Peis, El Mundo, La Vanguerdia, Colpies, El Pendolco/Anters 3 history than elections, there are always those who will vote for whichever party looks like Of the

> new jobs created in Wales last year through investment,

were created by companies investing again. Well, success does breed success.

> With one of Europe's highest productivity rates, the Welsh workforce is inspiring companies like Bayer, Panasonic and Rehau Plastic to invest time and time again. For more reasons why 380 other overseas companies are prospering here, call WDA Customer Services.

> > INTERNET: http://www.netwales.co.uk.





DEVELOPMENT AGENCY

Bombs pile pressure on peace process

By Julian Ozanne in Jerusalem

Can a wave of Islamic terrorist attacks destroy the electoral chances of Mr Shimon Peres, Israel's prime minister, and sabotage the Arab-Israeli peace process set in train by the Labour-led coalition govern-

These are the key questions raised by yesterday's horrific suicide bomb attacks against Israelis as the country gears up for one of its most crucial elections in the 48-year life of the Jewish state.

Much depends on the extent to which Israelis believe there is any viable alternative to pressing ahead with the peace process and their capacity to repress their natural outrage

Defeat for Mr Peres and his Labour party at the May 29 elections would spell general an end to the peace process Although Mr Peres has been riding a wave of public sympathy since the assassination of former prime minister Yitzhak Rabin last November, nothing is more capable of undermining his substantial lead over right-wing Likud leader Benjamin Netanyahu than a wave of terror attacks in the run-up to polling day.

in a country deeply concerned about personal security Palestinian guerrilla attacks strike violently at support for the peace process and the government overseeing it.

This is exactly the intention of yesterday's bombings carResistance Movement, which claimed 25 Israeli lives.

The bombings are also a powerful and ugly reminder of the continuing hatred and animosity among many Palestinians for Israel and of the potential for violence that remains at this stage of the Israeli-Palestinian peace process, now at the half-way mark in a fiveyear timetable.

The attacks, which ended Hamas' undeclared six month truce, also show the failure of Palestinian President Yassir Arafat to reach a political accommodation with Islamic extremists after months of stop-go dialogue. This has strengthened the hand of hardliners inside Hamas, allowing them to reactivate their military campaign.

Hamas has to be dealt with and it has to be dealt with politically and Arafat has not yet realised this. He still thinks he can outmanoeuvre them without giving anything," said legislative council.

So long as Hamas remains outside the peace process and seemingly beyond the reach of the Palestinian and Israeli security services it will be able to strike destructively at the peace process and the Israeli government.

"The attacks could be a big factor in elections," said Mr Uri Dromi, government spokesman, "God forbid that we will have more attacks but at the end of the day people will have What can the opposition do to criticism of the government



An Israeli near the wrecked bus yesterday holds a burning copy of the Koran

eradicate terrorism that the government hasn't tried

In the past Palestinian sui cide attacks, which have claimed more than 80 Israeli lives since the Israeli-Palestinian "Oslo" peace agreement was signed in September 1993, have had an immediate negative impact on the popularity of the process and the govern-

But, in a move which should give the government comfort. pollsters say the Israeli public is becoming increasingly hardened to terrorist bombings and less likely to blame the govern-ment. Some pollsters believe many Israelis are now viewing Palestinian attacks as similar to bombings by the Irish Republican Army in Britain: impossible to stop.

The restrained reaction vesterday of Mr Netanyahu should also help dissipate any negative public reaction. He refused to be drawn into wingers not to mount anti-government protests during a two-day mourning period. Nevertheless, the peace process will be the central issue in the election campaign, due to open formally in six weeks.

handling of Israeli security and

called upon Likud party youth-

The opposition will focus its attacks on the government's seace policy, arguing that it is opardising Israeli security. Although Mr Peres has con-sistently held a 10-20 point lead over Mr Netanyahu since last November, Israel traditionally

has a large body of floating

voters who could easily swing

towards Likud in the wake of Palestinian attacks. The government will continue to press the case that there is simply no alternative to going forward with the peace process. They will also pile more pressure on Mr Arafat to crack down on the

Its only other option is to

by Hamas yesterday and honour its commitments made in the peace accords to release thousands of Palestinian pris-

Releasing prisoners is unlikely, in itself, however, to curb Islamic opposition to the peace process. A greater responsibility rests on Mr Arafat to seek a political accommodation with Hamas which guarantees the Islamic movement genuine power-sharing in return for a cessation of violence. This, combined with more committed measures against those who refuse to give up violence, offers the best chance to consolidate the

Mr Arafat has shown little willingness to grasp the Hamas nettle firmly. But the Palestinian leader knows that if Hamas is not contained and continues its campaign of bombings, the future of the Labour government, and with it his embryonic state, is at serious

Iraqi killings unlikely to hit oil-for-food deal

Murder of defectors is condemned but UN moves go on, write Robert Corzine and James Whittington

he murder in Baghdad last Friday of two sons-in-law of President Saddam Hussein is unlikely to have a direct impact on talks with the United Nations on possible Iraqi oil sales.

There has been widespread international condemnation of the killing of General Hussein Kamel, former head of Iraq's military procurement system, and his brother Saddam Kamel, who along with their wives returned to Baghdad last week from exile in neighbouring Jordan. But diplomats said there were no signs that the oil-for-food talks, currently in recess, would be affected.

Arab diplomats have also ruled out any long-term political consequences as a result of the murder of the two men and several other members of the family. But they said the extraordinary events in Baghdad last week would strengthen the psychology of fear already prevalent in Iraq.

The return of General Hus-sein Kamel "was a godsend for Saddam," said one diplomat. "It removed an irritant and returned his daughters and at the same time it sends a strong message to the Iraqi people that they shouldn't even think of opposing the regime."

Few people had expected that Gen Hussein Kamel, formerly a powerful figure in Iraq's ruling elite, would sur-vive long in Baghdad. But his decision to return to Iraq was thought to have come only after he had been guaranteed clemency, perhaps as a human-Itarian gesture by Mr Saddam aimed at the international community which he is desper-

"Looking back, the only acceptable explanation for his return is that it was an absurd, irrational decision made by a deluded person who believed he had reached the end of the line," said one Arab diplomat.

Iraqi officials have sloughed off criticism of the killings. Mr Nabil Najim, Iraq's ambassador to the Arab League in Cairo, said: "His end had to be expected. He deserved the death penalty because he was a traitor who caused a great deal of damage to Iraq." Although the speed with

which the two defectors along with their father and another brother who remained in Iraq - were killed took most observers by surprise, the out-come has reminded the people of Iraq and the international community that street thuggery remains the basic staple

of politics in Baghdad.
Although diplomats say the killings should not upset the UN talks, they are bound to affect the atmosphere surrounding the negotiations on UN Resolution 986, which authorises Iraq to export \$2bn of oil to raise money for food and medicine.

Some diplomats believe the events in Baghdad may make Ar Boutros Boutros Ghali, the UN secretary general, who is closely identified with the humanitarian initiative, more cautious when drawing up an implementation plan for Security Council consideration.

Even before the killings estern diplomats warned that Mr Boutros Ghali's "credibility was on the line". "If he comes back to the Security Council with a plan that runs into problems, then he'll take the blame," said one diplomat Mr Abdul Amir al-Anbari Iraq's main negotiator. returned to Baghdad yesterday to report on the first round of the New York talks. These highlighted areas where agree-

ment has still to be reached including the contentious issue of how the aid will be distrib uted within Iraq. Although the talks went forther than previous unsuccess. ful attempts to reach an oil-forfood deal some Security Council members remain wary of Iraq's intentions. "It is still an

open question whether Saddam is serious about accepting 986." said one diplomat. But state-owned newspapers in Iraq yesterday detailed preparations being made to receive food and medicines under the plan. And some diplomats believe Friday's events make an Iragi acceptance of 986 more likely. Mr Saddam, having seen off the most serious challenge to his leadership and "saved face" as a result of the defectors' deaths, can now afford to

make concessions, they argue. Another factor will be Mr Saddam's view of US-inspired moves in the region, especially growing rapprochement between Jordan, Kuwait an. Saudi Arabia. Fears that Iraq's border with Jordan could be closed may convince him he needs to accept 986 to secure an independent lifeline to the outside world. "At the end of the day, if 986 does not fit into Saddam's bigger agenda, it won't work," says Mr Vahan Zanoyan, an analyst at the Petroleum Finance Company in Washington, "But seemingly unsurmountable hurdles can

goals urged by WTO chief

Mr Renato Ruggiero, director-general of the World Trade Organisation, has called on member governments to commit themselves to achieving in the multilateral trade system goals at least as ambitious as those they are pursuing in regional trade arrangements.

Mr Kueetero viously voiced doubts about the benefits of regional groupings - said they had now become as important as the multilateral system in shaping the development of international trade, and were contributing positively to the liberalisation of world markets.

However, he said the multilateral system differed from regional arrangements - such as the Asia Pacific Economic Co-operation forum, the North American Free Trade Agreement and the European single market - because it had set no target date for the achievement of completely free trade.

Mr Ruggiero did not explicitly endorse such a target date for WTO work. But he said he had got a strong message from an international trade policy conference in Brisbane, at which it was proposed WTO members commit themselves to creating by 2020 a global free trade area in which all would remove border barriers. He said that, as well as matching the ambitions of regional trade groupings, adop-tion of such an objective by the WTO could meet demands by developing countries for freer access to industrialised countries' markets.

The conference, hosted by Mr Bob McMullan, Australia's trade minister, was attended hy trade policymakers from 15 Asian, European and Latin American countries and by senior officials from the International Monetary Fund, the World Bank and the Organisation for Economic Co-operation and Development.

The US was the only leading trading power not to send a senior official to the conference, one of a series of gatherings planned this year to prepare for the WTO's ministerial meeting in Singapore in December. Washington claimed that budgetary con-straints prevented it from

being represented in Brisbane. Mr Ruggiero said the idea of a global free trade area was likely to feature in discussions on the future of the multilateral trade system, though he did not expect it to be taken up formally in Singapore. He said WTO's top priorities were to implement the Uruguay Round world trade agreement, conclude promptly negotiations on liberalisation of telecoms and other services and continue reducing tariffs and other forms of border protection.

THE internationally

ACCLAIMED MBA

The Manchester MBA is acclaimed workfwide for its

exchange programme...and now we've made this valuable qualification more accessible than ever for you.

· International exchange and European study programme

The Manchester MBA is the ideal way to gain the real

experience which is vital for success in the world of business.

For more details come along to a presentation at the School on

Wednesday 6th March (5.30pm for 5.45pm) or at the Institute

of Directors, 116 Pall Mall, London on Thursday 7th March

(6.15pm for 6.30pm).

Alternatively, contact us for a brochure.

MANCHESTER BUSINESS SCHOOL

BOOTH STREET WEST, MANCHESTER MIS 6PB, UK

TEL: +44 (0)161-275 6311 FAX: +44 (0)161-275 6489

Internet - WWW: http://www.mbs.sc.uk

PROMOTING QUALITY TEACHING AND RESEARCH

Manchester Business School

* Completion within 18 months

· Choice of specialist subject options

Foundation module for younger managers

Recognised and respected by employers

practical 'hands on' project-led approach and global

Ambitious trade | Keating narrows gap as Australian voting nears

By Nikki Tait in Sydney

party yesterday appeared to be closing on the opposition as campaigning in the federal election entered its final week. A Sun-Herald newspaper poll of marginal seats showed 4 percentage points behind the coalition of the conservative Liberal and National parties, compared with as much as 12 percentage noints four weeks ago.

Australia's governing Labor

In further boosts for Labor. Mr Paul Keating, the brim minister, seemed to have got the better of Mr John Howard, vised debate last night, and Labor made a strong showing in Saturday's state elections in Tasmania.

A studio audience gave Mr Keating a clear win by 56 per

- the second between the two leaders. Mr Keating was given an edge by a similar audience in the first debate but by a smaller margin. Mr Howard repeatedly

cent to 44 per cent in the

accused Labor of breaking promises - on privatisation and tax cuts - over its 13-year enure in government. Mr Keating countered by criticising the coalition's

determination to fund its promised environment programme out of the partial privatisation of Telstra, the government-owned telecom group. There is little guarantee the Telstra sale will go ahead, as minor parties, opposed to such a move, are likely to hold the balance of power in the Senate, parliament's upper house. In Tasmania's state election.

there was a swing of more

than 10 points away from the Liberals and largely to Labor. The poll is likely to leave Labor and the coalition with 15 seats each, with Greens and an independent holding the remaining five seats.

Labor has said it will not try to govern from a minority position, so the onus is on the existing Liberal administration to try to govern. Both Labor and the coalition

have warned against drawing too close a connection between state polls - coloured by local and the federal electric tion. Moreover, the Liberals polled well in the federal seat of Bass, in north-east Tasmania. This is currently held by Labor but is the most marginal seat in the country, with Labor's edge in the 1993 election being just 40 votes. See Editorial Comment

Taiwan begins campaign for first presidential poll the start of the official cam-

By Laura Tyson in Taipei

Taiwan's presidential hopefuls began their election drives in earnest at the weekend as the official campaign period com-menced for Taiwan's first direct vote for its highest

With voting just a month away, reports continued to mount that China, which regards Taiwan as a province in rebel hands, is massing forces in coastal Fujian province in preparation for largescale military exercises. The manoeuvres are intended to sow worries and confusion in Taiwan ahead of the March 23 election, which China fears may be a prelude to a declaration of independence.

Taiwan's President Lee Teng-hui, the ruling Nationalist party incumbent, marked there was no need to declare

paign with a rare press conference in which he emphasised the need to stabilise fraught ties with Beijing and repeated his goal of signing a peace treaty with it. Mr Lee, who is expected to

win the elections by a comfortable margin, also said that a summit meeting between himself and President Jiang Zemin of China was possible, but would have to wait until an appropriate time. The candidate for the leading opposition Democratic Progres-

sive party. Mr Peng Ming-min, called on Beijing to recognise Taiwan's de facto independence and promised friendship in

The former dissident, known as the "godfather" of Taiwan's independence movement, said

already a sovereign independent nation. However, he advocated an immediate declaration of independence in the event of Chinese attack. Mr Peng also criticised the

ruling party for using its majority control of Taiwan's three television networks to promote Mr Lee's campaign and limit coverage of other Meanwhile, Mr Lien Cha-

the premier, narrowly retained his post as the head of a caretaker cabinet in a parliamen tary session which went into the early hours of Saturday. A large-scale cabinet reshuffle is scheduled for May 20 after the presidential elections. Mr Lien, who is Mr Lee's running-mate as the vice-presidential candidate, will step down as premier at that time.

Door open to wider Europe-Asia links

Bangkok summit gives EU chance to latch on to fast-growing world market

This Friday leaders from Asia and Europe will sit down in Bangkok for a summit that will mark the first meeting between their two regions. For some in Europe the event is mere schmoozing. There is no real agenda, and not much to expect by way of

formal agreements. Leaders who attend risk being accused of dallying idly in the Thai sunshine while their voters freeze in a Euro-

pean winter. Yet as the opening draws nearer, scepticism is waning. The summit may mark the beginning of a new relation-ship, rather than an end in itself, but it provides an opportunity for Europe to latch on at last to a region with some of the largest and fastest-growing markets in the world.

Officials from both regions say more direct contacts are long overdue. Asia and the US have their own institutional ties through organisations like the Asia-Pacific Economic Co-operation forum (Apec). Europe and the US have similar ties, but there are none linking Europe and Asia. Bangkok should fill the gap.

Moreover, the meeting comes as the world is still groping for a new strategic balance in the post-cold war era. The break-up of the Soviet Union. the gradual emergence of China as an international power and a perception in Asia that the US is ambivalent about its security role, have left an explosive situation in the Pacific.

There is not just the question of China's stormy rela-

or many in Asia it is tions with Taiwan. There is instability in famina additional f claims to the Spratly Islands in the South China sea.

A stronger European relationship with Asia might help create a new balance of power and defuse these issues. Some Asian countries, such

as Singapore, make little secret of their desire to use the summit as a means of involving China in another web of multilateral relationships to reduce bilateral tensions in Asia. Others focus more on the desire for a counter-balance to

bilateral approach to trade However these broader security issues underlying the summit are unlikely to be broached directly. There will be talk of reforming the United Nations and the need to avoid nuclear proliferation, but the main agenda is likely to be eco-

the US with its aggressive

nomic. It will focus on investment flows and on laying the groundwork for the World Trade Organisation ministerial meeting in Singapore in

At one level the trade and security issues are intertwined. Asian countries have a huge need for capital. More investment in Asia would give Europe an economic stake in the region and therefore enhance its interest in Asian security. Strikingly little European

investment has flowed to Asia despite its booming economy. While Asia is the EU's largest export market, its share of that market is shrinking and total investment flows in 1994 were just Ecu2.8bn (£2.20bn), of which a large chunk was for oil and mineral extraction rather than manufacturing. Prof Suthiphand Chirathivat,

an economist and acting director of Chulalongkorn University's European studies programme in Bangkok, says there is a dynamic relationship between trade and investment: The Japanese find it much

not just in the Organisation for Economic Co-operation and Development, where it is being discussed by industrial coun-

One concrete result of Bang-

What the two sides are seeking

Europe¹ wants .

To make Asian markets more attractive for European investor

To boister the September WTO ministerial meeting

To promote UN reform

All 15 members of the Burapean Union will be repres

invest here. European products and companies are competitive, but they need to be here and integrate themselves. That gets noticed." Sir Leon Brittan, EU trade commissioner, says: "What I'm

easier to sell to the rest of Asia

because they also produce and

hoping is that two subjects, the promotion of investment and working together for Singapore, could be identified as areas for follow-up and that the machinery for that follow-up should be put in hand. The Bangkok meeting will

give Sir Leon an opportunity to promote his proposal for an international agreement on investment in the WTO, which includes developing countries,

kok is likely to be a meeting of senior trade officials, to be hosted by the European community in Brussels in the summer, to forge a common agenda for the Singapore meeting at a

More European investment

Clear European support for Chinese membership of WTO To establish a dialogue with Europe at political and economic levels.

presidential elections. Another, strongly urged by Japan, is that there be parallel talks on trade and investment in the private sector along the lines already established in Apec. Mr Banharn Silpa-archa, Thailand's prime minister, who will host the meeting, says there is no intention to set a formal target for trade liberal-

time when the US is likely to

be wholly preoccupied with its

isation as Apec has. That might seem a modest outcome. More important in the minds of many is the less tangible notion that the door should have opened to closer economic and political con-

Europe will also have been forced to consider exactly what sort of relationship it wants with a region that is rapidly becoming pivotal.

Yet there are hurdles in the way of even that basic goal. One is a European lack of understanding of Asia's laid-back style. This focuses on informal contacts between leaders with no negotiation, no head-on confrontation over difficult issues and the sketchiest of pre-set agendas. While the process is as important as substance to Asians, Europeans like hard-nosed talking with more tangible results.

A more serious threat is arguments over human rights. Some European countries such as Sweden are keen to raise sues such as the treatment of children in Chinese orphanages. Portugal has a specific concern over Indonesia's annexation of its former colony, East Timor. At one stage confrontation over this threatened to disrupt proceedings but officials in both regions now say they think the issues can be finessed.

But there could still be differences over a European Commission proposal to link labour rights to trade. Sir Leon says Europe only wants to engage in discussion on this matter, not impose new policies on developing countries. Besides, Europeans, who are expected to offer a follow-up summit hosted by the UK in 1998, are aware of the need to avoid unseemly argument. "We are going there to bridge a gap, not to start a fight," says one French official

> Peter Montagnon and Ted Bardacke

Major visit raises HK visa hopes

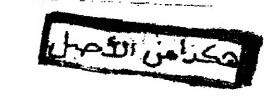
By Peter Montagnon in London

The UK may announce an agreement to grant visa-free entry to Hong Kong citizens after the territory's handover to China in 1997 when Mr John Major, prime minister. visits the colony next weekend, according to Mr Martin Lee, leader of Hong Kong's Democratic party.

"The fact that he's decide to go to Hong Kong could mean that he's got good news to announce," he said in London after meetings with British government officials. UK officials declined to comme Mr Major will travel to Hong Kong after this week's Europe/ Asia summit in Bangkok where he will meet Mr Li Peng, the Chinese premier, on Thursday.

Members of Hong Kong's Legislative Council, including Mr Lee, have been pressing for visa-free entry for Hong Kong citizens after 1997. This has so far been resisted by Mr Michael Howard, UK home secretary, who is worried that it could create a backdoor entry to Britain for mainland Chi-

Britain will continue to have a responsibility for Hong Kong after 1997 because its joint liaison group with China will continue to meet on handover issues until 2000, Mr Lee said. It would therefore have closer connections than any other country and should take the lead in granting visa-free entry to holders of the special passports that China will issue in the territory.



seek to ease island tension

By Christopher Parkes in Los Angeles

A TOTAL SECTION OF THE PARTY OF

12: 0.4

小花(6 種)

- 79 7 Pm

COT LINES NO.

11 A 34

 $372175 \pm \widetilde{\xi}$

lajor visit

ises HK

sa hopes

President Bill Clinton and Mr Ryutaro Hashimoto. Japan's new prime minister, parted on first-name terms at the weekend, after a fleeting first meet-

ing to set priorities.

Acknowledging, but sidestepping, urgent trade issues,
the two leaders spent much of their hour of talks at Santa Monica reviewing the damage done to security relations by the alleged rape last year, on the Japanese island of Okin-awa, of a schoolgirl by US ser-

They agreed a joint committee should consider the redeployment of the 47,000 US military personnel stationed in Japan, possibly to reduce the heavy concentration of forces, and ease the continuing tension on Okinawa.

Mr Hashimoto appeared to send a signal for easier rela-tions on economic issues, with a promise of deregulation in the housing industry which should improve US exporters'

Little attention was paid to more pressing matters, although the Japanese leader gave renewed hints that he was relaxing his hitherto forceful resistance to renewing a 1986 agreement, due to expire on July 31, that Japanese electronics companies buy at least 20 per cent of their semiconductors from foreign makers.

Instead, the leaders contented themselves with sizing one another up before formal talks during the US president's planned state visit to Japan on April 16, and providing evidence for their respective electorates that they would be able to advance co-operation

Supported by Mr Clinton, who said bilateral talks were often quicker and more effective than more complex dealings. Mr Hashimoto said he wanted to resolve economic differences without exacerbat-

ing the debate. "It is very important to be low-key on these kinds of issues," he said. For Mr Clinton, meeting his fifth Japanese prime minister since he took office in 1993, the focus on Okinawa seemed likely to bolster his support, in the US presidential election this year, within California's extensive Japanese commu-

Strong suggestions from Mr Hashimoto that Japan might at last be ready to align its laws on copyright of sound recordings with those of other indus-trial nations went down well in the local entertainment busi-

Earlier, also while in Calif-ornia, Mr Clinton had raised his stock locally when he told cheering McDonnell Douglas aircraft workers he had asked Congress for funds to allow higher production targets for C-17 transport aircraft.

He also took the opportunity

Mr Clinton, whose sides stressed the rapid decline in Japan's trade surplus since last year's agreement on car imports, endorsed the middle path between being "uncritically in favour of free trade and "pulling up the rug and

to take a shot at Mr Pat Buchanan, the rising Republican presidential hopeful, whose campaign has been lifted partly by his stance against trade liberalisation and who, on Thursday, had declared himself ready "unilaterally" to end Japan's trade surplus with the US.

US and Japan Alarm over protection with new bite in '97

Nancy Dunne finds liberal trade backers in the US worried about a Buchanan-minded Congress

he victory of Mr Pat Buchanan in the US Republican party's New Hampshire presidential primary has sounded an alarm for the Washington "trade mafia", the looseknit group of economists, policy analysts and corporate lobbyists that has long backed liberalised trade policies.

Mr Buchanan has been running exuberantly on a protectionist plat-

exuberantly on a protectionist plat-form, promising to withdraw the US from the World Trade Organisation and the North American Free Trade Agreement (Nafta), and to impose huge tariffs on goods entering the US from China and Japan.
The agenda of the free trade lobby has already been frustrated by the

Republican-controlled Congress,

which has been unable to agree on a bill to give the president negotiating authority for the expansion of Nafta. This lobby's main concern is about the congressional elections in November, on the same day as the presidential poll. The contest for the White House still seems likely to be between President Bill Clinton and Senator Robert Dole, the Senate majority

leader, so Mr Buchanan's current suc-

cess causes less unease Eighty members of the House of Representatives have already signed up to back what would become the Nafta Accountability Act, which would virtually guarantee US with-drawal from Nafta or its renegotia-tion. This bill is given little chance of passage this year, but a new, aggressively protectionist Congress could approve similar legislation in 1987.



Mover and shaker: Pat Buchanan campaigns in Arizona at the weekend source as

There is increasing concern that Buchanan's message will spread around the body politic," said Mr Harry Freeman, a business lobbyist. "When it comes to the Congressional races, a good portion of Republicans and Democrats could run on the same anti-trade message."

The worry is compounded by the large number of senators and congressmen, both Republicans and

Democrats, who have long supported liberalised trade but are retiring. Their successors may well agree with Ms Lori Wallach of the public interest group Public Citizen, who pointed to the two-decade decline in real incomes in the US and the growing gap between rich and poor. She called for "a new game plan."

The constitution gives Congress jurisdiction over trade matters, but

authority has been flowing towards the president since 1945. A deter-mined Congress could regain its sway. There is anxiety among Republi-

cans that a Buchanan presidential candidacy would split the Republican party. But the administration's trade policies have already divided Demo-crats. This dates back to the negotia-tion of Nafta side pacts on labour and the environment, after Mr Clinton, then a presidential candidate, had promised to "fix" the Nafta negotiated by President George Bush.

Mexico resisted, and Mr Mickey Kantor, US trade representative, was overruled by the White House when he wanted to take a strong stand. The resulting deals were toothless, and erstwhile Clinton supporters were outraged enough to form a coalition to educate voters across the country about the evils of trade deals negoti-

ated by and for big business. "Kantor was a successful, loyal, political soldier," says Mr Mark Ritchie, president of the Institute for Agriculture and Trade Policy. "He could have protected the president's left flank, but he protected his Wall Street flank instead

Opponents of Nafta have not been gloating about the success of Mr Buchanan's trade message. Mr Brent Blackwelder, president of the Citizens' Trade Campaign, issued a state-ment noting that the New Hampshire vote reflected "widespread disen-chantment with the promises made by free trade politicians." However, he rejected the Buchanan agenda.

"Mr Buchanan would have us build a fence on our southern border to isolate the US from its Mexican neighbours - a short-sighted and mean-spirited solution," he said.

Foes of Nafta and the WTO are often simplistically dismissed as pro-tectionists, but most of them argue that they would support trade deals written to protect workers and the environment.

They draw a distinction between the globalisation, under way among multinational companies, and global-ism as a co-operative effort supported by environmentalists, labour and human rights activists.

Many opponents of Nafta and the WTO believe the business lobby grew arrogant, accustomed to having its way under Republican presidents, and saw no need to compromise with the current Democratic administration. "It was a serious mistake to let business write trade policy," said Mr Alan Tonelson, a policy analyst with US Business and Industrial Council, "Bill Clinton said he would put people first, but unfortunately he put Wall Street first. It was a complete betrayal of Democratic party principles."

Ms Susan Aaronson - author of Are There Trade-offs When Americans Trade? - said the business lobby had erred by engaging in raising high expectations for the trade initiatives. "There will have to be adjustment, But Buchanan's logic is flawed. You can't say trade is a global problem and then posit domestic solutions.

You have to find global solutions."

Party disputes threaten Mexico electoral reform

A series of political rows has erupted in Mexico, threatening to derail a long-awaited programme of electoral reform.

Negotiations to deliver proposals in time for the next session of Congress in March have been damaged by the main opposition party boycotting them, while a row about investigations of a political assassination may poison the atmosphere still further.

The reform is close to the heart of President Ernesto Zedillo, who has argued that his own election was legitimate but not altogether fair.

Previous electoral reforms have left his ruling Institutional Revolutionary Party (PRI) still with far more money and access to news media than its rivals.

But the right-leaning opposi-tion National Action Party (PAN) is boycotting the talks over a disputed result in a local election. A victory initially awarded to its candidate

what the PAN calls no more than the usual minor discrep ancies, such as consistency of officials' signatures.

Suspicions run high because the governor of Puebla state, where the election was held. Mr Manuel Bartlett, was the interior minister in charge of the elections in 1988 that brought Mr Carlos Salinas to the presidency amid accusations of fraud.

Relations between the parties took a further dive at the end of last week, when PRI officials attacked the country's attorney-general - Mr Antonio Lozano Gracia, whom Mr Zedillo chose from the PAN, in an early gesture of conciliation - for his management of an investigation of the assassination two years ago of Luis Don-aldo Colosio, then the PRI's presidential candidate.

A confessed killer was convicted, but the investigation has maintained the hypothesis that the assassination was the

The multimedia revolution?

at NEC, never.

Multimedia. It will transform the way you live, learn, work, play and relate to your fellow human beings. As digital streams of text, sound and images course around the globe, almost every aspect of life will change beyond recognition. But will this be an overnight revolution? Certainly not for NEC.

We started integrating our computer and communications technologies over 20 years ago, shaping their evolution into the new realm of multimedia. Through long-term investment in research and development, we are playing a key part in the creation of tomorrow's Global Information Society. From multimedia devices to computers to wireless communication systems to broadband networks, we're unique in having expertise in all its aspects. Multimedia will evolve past any human experience. Trust NEC to guide you.

the multimedia @volution





Cloud over Menem visit to France

By David Pilling In Buenos Aires

New testimony about the murder of two French nuns during Argentina's "dirty war" of the 1970s threatens to overshadow the arrival of President Carlos Menem in Paris today, at the start of a three-day official visit.

Mr Menem hopes to strengthen commercial ties with France, one of the biggest investors in Argentina's radi-cal privatisation programme. He will treat as an unwelcome distraction claims by a former military official that the two were drugged and

thrown alive into the sea.
France has long demanded the extradition of a naval captain, Alfredo Astiz, who in 1990 was condemned in absentia by a French court to life ent for his involvement in the nuns' death. A lawyer for the victims' families said at the weekend he would ask Argentine courts to

reopen the case. The nuns, Alice Domon and Léonie Duquet, disappeared in December 1977, when Argentina's military government was torturing and killing thousands of civilians. Mr Adolfo Scilingo, a former naval captain who last year revealed that death flights had been routine, said on Friday the nuns had been among those burled out of aircraft.

Mr Carlos Corach, Argentine interior minister, said: "Nothing [Scilingo] says can in the least damage" the president's visit, in the company of 40 Argentine business executives. French-Argentine relations have been generally good since Mr Menem assumed the presidency in 1989. French companies have invested nearly \$3bn in Argentina during the 1990s,

munications, water utilities and food processing. Among 'the commercial issues to be discussed will be a threat by Tucumán province in Argentina to cancel a water utility concession awarded to Compagnie Générale des Eaux.

taking big stakes in telecom-

Mr Domingo Cavallo, Argentine economy minister, will seek to reassure French business that Argentina remains a predictable environment for investment. Argentina hopes that French companies will participate in the planned privatisations this year of airports, nuclear power plants and hydro-electric dams.

For further information, please contact: MEC Corporation, Overseas Advertising Division, 7-1, Shiba. 5-chame, Minato-ku, Tokya 108-01, Japan, Fax 81-3-3798-6333. NEC Europe Ltd. NEC House.) Victoria Road, London W3 6UL, UK. Fax 44-181-235-4942.

Wisconsin may Many managers to lose their jobs build separate freight railway

By Charles Batchelor. Transport Correspondent

Wisconsin Central Transportation, the new US owner of British Rail's heavy haul freight operations, may build its own freight railway lines in Britain if Railtrack, the company responsible for the track network, is not willing to devote resources to freight

operations. We would talk to Railtrack about building our own sections of freight-only track," Mr Ed Burkhardt, Wisconsin president and chief executive, said at the formal handover of BR's Trainload Freight business. which Wisconsin bought for

Mr Burkhardt said he was "not sure" there was sufficient incentive in the privatised railway structure for Railtrack to invest in freight services, which account for 10 per cent of the revenues generated by passenger traffic.

Wisconsin and BR said they did not expect the discovery of alleged "procedural irregulari-ties" at Trainload Freight, two senior managers on the eve of the sale, to affect the transfer. BR is carrying out an inquiry into the way spending sified in the accounts. Wiscon-

sin plans to invest heavily in new locomotives - it will need up to 200 at a cost of £200m to £250m over the next five years - and is considering cutting the workforce.

Mr Burkhardt hinted at the prospect of tough negotiations between Wisconsin and Railtrack over the level of access fees charged by Railtrack for allowing freight trains on the network. The split of track ownership from train operations was unlikely to be satisfactory in the long term, according to Wisconsin.

"We would expect Railtrack to act commercially, but the split of track ownership from operations means there could be problems when you want to build a siding," said Mr Burk-hardt. "We think we will get there, but there could be a few rocks on the way."

Wisconsin expects to pay 30 per cent of its UK revenues to Railtrack in the form of access charges, a higher percentage than it devotes to maintaining its 4.500km rail network in the US, he added.

The US company has no in Railtrack, which is due to be floated on the London stock market in May, but it intends to use the run-up to flotation to negotiate lower access charges for freight trains.

Big cuts in staff numbers and a thorough shake up of working practices at British Rail's heavy haul freight operations are promised by the new US owner of the business

Wisconsin Central Transportation employs 1.800 people in the US, including 500 managing the rail infrastructure which in the UK is the responsibility of Railtrack. Trainload Freight which runs an operation similar in size in the UK, employs 7,500 people.

Mr Ed Burkhardt, the president and chief executive of Wisconsin, said that big reductions in managers, clerical and manual staff were likely.

Companies shipping goods by rail and those looking to develop rail shipments as an alternative to road are hoping that the Wisconsin team will bring a new focus to an operation which has long been the Cinderella of the rail network. Wisconsin was set up by Mr Burkhardt in 1987 after deregulation of the US rail network allowed the disposal of rail assets - without the crip-

pling job protection regula-tions which had held back profits and productivity. Mr Burkhardt, 57, has spent his working life on the railway. He studied industrial management and transport at Yale before joining the Wabash Railroad in Indiana. He then moved to Chicago & North Western where he spent 20

Based in Rosemont, Illinois, Wisconsin runs 4,500km of freight network in the US and



Taking control: Ed Burkhardt (left) with John Welsby, the BR chairman, on a Loadhaul locomotive

vice. "We have demonstrated

has bought rail operations in Canada and New Zealand. It made a profit of \$37m on turnover of \$211m in 1994.

Wisconsin persuaded the British government to reverse a decision to split BR's heavy freight operations into three separate companies and has acquired all of them, with a combined turnover of £559m. It believes it can reverse the decline of rail transport - now

down to just 6 per cent of the freight market in the UK - by improving the quality of ser-

in our railway operations in the US, New Zealand and Canada that we can move rail traffic upward after a period of long-term decline," said Mr Burkhardt. Wisconsin has tripled its freight volumes in the US in the nine years since it was set up and has raised volumes by 10 to 12 per cent a year since it acquired New Zealand Rail in 1993.

Wisconsin has denied that its accident rate is too high. In reply to reports that 20 people

years in incidents involving Wisconsin trains, the company said the safety figures were "skewed" because much of its work involved shunting in congested yards and because they included "minor" acci-

The British Department of Transport dismissed suggestions that the company's acci-dent rate was three times higher than the average for comparable US railway compa-

London Stock Exchange 'Seaq is like an old comfortable jacket, but one day it's going to wear out'

Investors and brokers say reforms are unnecessary

By George Graham and Norma Cohen

The London Stock Exchange is coming under increasing pressure from investors and brokers to pull back from plans to introduce orderdriven electronic trading alongside the current marketmaking system.

A broad range of insurance companies and pension fund managers, as well as some marketmaking investment banks and private client stockbrokers, have all told the exchange that they see no need to change the

erce bases in agriculture, lieberjes and

est of tourism and port services.

ent as the correct road for the

The Government of Eritron, within the

ERITREA's location at the cross-reads to

Enrope and the Far East, places it in a

as well as regional markets for both

impacts and outpacts.

good position to access important global

The Eritrean people are now poised for the

receisi reconstruction and development of

the war battered economy. The Government

of Fritzen has exacted a puries of notice

Interpres to promote both domestic and

has a strategic location which is conducive

external trade. The desire to give trade

prominence in the development effort

tes from the recognition that Eritrea

ting economic growth and a beatthy

ons for the marketing of outputs and

ent opportunities;

ess in price and quality of

oditites and services; promoting

gional co-operation and economic a, and increasing the attraction of

Eritrea to direct foreign investor

in order to achieve the above-stated tives, the Government of ERTIREA has

set short and Long term Trade Policies judicing, among others.

nines and a coast line 1200 Kms, with over

350 islands. This is adequate ground for the

system. "First indications are that the majority of our membership firmly hold the view that neither they nor their clients believe that the quote-driven system of trading in London needs a fundamental reform," said the Association of Private Client Investment Managers and Stockbrokers.

"I don't think they have demonstrated that the change they have outlined would actually improve things," said one institutional fund manager. The stock exchange tried to win over the investment community at a

meeting hosted by National Westmin-

When the

Vision for

Business

ster bank earlier this month, but failed to sway many fund managers. Some UK and international investment banks, which have spent heavily to buy marketmakers, have been reluctant to oppose order-driven trading openly but are clearly relieved to have investor opinion on their side. But other stockbrokers are less happy

There are some backwoodsmen in the industry," said one. In the current system, marketmakers list the prices

about the groundswell of opinion run-

ning against swift introduction of

order-driven trading.

sell shares on the stock exchange's Seaq screen, but deals are actually struck over the telephone

With the introduction of the exchange's new Sequence 6 technology this year, it will become possible not only to quote prices but also to carry out trades electronically. That opens the way for one investor's buy order to be matched automatically with another investor's sell order, sidestepping the marketmakers entirely. In a consultation document issued to member firms and investors it's going to wear out."

at which they are willing to buy or in January, the stock exchange invited comments on how order matching should be introduced.

Should it be used for the most or least, liquid stocks? Should the order and quote systems be linked? Should investors who negotiate a large block trade he required to meet smaller orders at the same price?

Many replies took issue with the assumption that order matching should be introduced. But one senior marketmaker warned: "Seao is like an old comfortable jacket. But one day,

Former chief breaks silence over dismissal

By James Blitz at Westminster

For several weeks Mr Michael Lawrence, former chief executive of the London Stock Exchange, has stayed silent about the events which led to his departure from office in January. But in written evi-dence to the House of Commons Treasury committee he goes into detail. He strongly implies that he was sacked because of the determination of leading marketmakers to

reassert their influence. In the immediate aftermath of Mr Lawrence's dismissal Mr John Kemp-Welch, the exchange chairman, said that the chief executive had been removed from the post after losing the confidence of members. But Mr Lawrence says that there are "obvious inconsistencies" in the position taken by Mr Kemp-Welch. In a clear reference to marketmakers, he claims to have been seen "as an impediment to a return to the previous mechanisms of detailed control of the exchange by some of its mem-

Mr Lawrence's account starts last autumn, when he says that the reforms he was implementing were fully backed by Mr Kemp-Welch and the exchange's leading figures. At the heart of the reforms was the development of a hybrid trading system, combining marketmaking with an "orderdriven" alternative which would allow brokers to place on screen offers to buy and sell only those blocks of shares they want to trade at that

The reforms were opposed by marketmaking institutions, who feared that the new systems would undermine their position. But as late as November, Mr Lawrence says, the chairman "assured me of his support for the trading reforms". The board, in spite of lobbying by institutions, "fully supported the proposals". He adds: "I received no warn-

enjoy their support, although we were all aware of the opposition of certain marketmakers." At this stage marketmaking institutions with most to lose from the new arrange ments started to voice their Editorial Comment, Page 17; concerns more forcefully.

Big marketmakers were considering leaving the Lon-don Stock Exchange and setting up their own trading organisation before the firing of Mr Michael Lawrence as the exchange's chief executive in January, said a senior market-maker. Sir Nicholas Red-mayne, the chief executive of Kleinwort Benson, told the House of Commons Treasury committee that some marketmakers had considered breaking away and trading either through Reuters or through their own dealing organisation. "There was a danger, but only a danger, that the whole thing could break apart," he

First the exchange's board met and marketmakers were offered "significant representation" on a subcommittee which had been convened to steer through the trading changes.

Immediately after Christmas Mr Kemp-Welch told Mr Lawrence that he had decided to hold a meeting "to let the board know of the concerns of member firms" about the issue.

Mr Lawrence does not make any reference to the particular series of events which may then have triggered his departure. But a senior source connected with the affair has pointed out that there was a strong correlation between those board members who exercise an influence over appointments and the marketmakers who might most suffer from the reforms.

According to Mr Lawrence the climax to events came at the start of January, shortly before another meeting of the board. He says that just before the meeting Mr Kemp-Welch and other exchange officials "advised me that I had lost the board's confidence" and that the purpose of the meeting was to secure my removal from office".

Mr Lawrence adds: "He [Mr Kemp-Welch] stated that he had talked to each board meming at any time that I did not ber the previous day, excluding the executive directors who had not been consulted, and they would support his demand for my resignation or dismissa)."

Sinn Féin seeks to 'rebuild peace'

British government officials will today meet Sinn Figure representatives for the first time since the Irish Republican Army abandoned its ceasefire amid signs of progress in the Northern Ireland peace process. As tens of thousands of pec marched for peace in towns across Ireland, Mr Marine McGuinness, who will head the Sinn Fein delegation, said the purpose of the discussions was to "examine how the period process can be rebuilt".

The British prime minister's commitment to keep the peace process above the daily battle between the main political parties also received a boost yesterday when Mr Jack Straw, the opposition Labour party's shadow home secretary, who said he was recommending that Labour should not wote against the Prevention of Terrorism Act for the first time in

There was also an indication of a rapprochement between Mr John Hume, leader of the constitutional nationalist Social Democratic and Labour party, and Mr David Trimble, leader of the Ulster Unionist party, the largest pro-British party in Northern Ireland. Mr Hume, speaking on EBC Television, gave muted support for Northern Ireland elections as a precursor to all-party talks.

Robert Peston at Westminster and John Murray-Brown in Dublin

Ernst & Young defends criticism

The senior partner of one of the Big Six accountancy firms yesterday defended its outspoken attack on the the Accounting Standards Board, UK's leading standard-setter, and accused the rest of the profession of not wanting "to rock the boat" on important issues. Ernst & Young, in a paper circu-lated to chairmen and finance directors at hundreds of leading companies, had said accounting as a financial language was in danger of being taken over by academic theorists who used the UK economy as a "test-bed".

Mr Nick Land, senior partner at Ernst & Young, said the firm's criticism of the ASB under Sid David Tweedie was "heartfelt" and rejected suggestions that it was a marketing ploy. Sir David, speaking in one of the profession's leading magazines, dismissed Ernst & Young's critique as having "all the vision of a mole and the eloquence of a whoopee cushion" Other members of the Big Six have joined the debate. Mr Ian Brindle, senior partner of Price Waterhouse and a member of the ASB, said: "This is a cheap publicity gimmick. What the hell are Ernst & Young up to? They should be ashamed of themselves." Jim Kelly, Accountancy Correspondent

Fraudster aims to repay

Mr Peter Clowes, the convicted fraudster released on Thursday after serving four years of a 10-year prison sentence, said he would work to repay investors who lost £16m (\$24.6m) in the Barlow Clowes investment group.

Mr Clowes said his "number one aim" was to pay back money still owing to former investors. "Investors have not had their full money back, but I am going to see that they are going to get what they're owed, with interest," he said. It would be "inappropriate" to explain how this would be done, he added. Mr Clowes, who headed the Barlow Clowes empire before its collapse in 1988, said he would seek to clear his name in the courts and threatened to sue the Serious Fraud

The UK Treasury is trying to recover some of the lost money by serving a writ on Mrs Pamela Clowes, Mr Clowes' wife. The Treasury said: "The writ is in line with the government's overall policy to recover as much as possible from the Barlow Clowes affair." Richard Donkin and Graham Bowley

Feelgood factor 'remains elusive'

The feelgood factor will remain elustve this year even if the chancellor cuts interest rates again, Coopers & Lybrand, the accountancy and consultancy firm, warns today. The firm casts doubt on the government's forecast that the economy will grow rapidly in 1996 underpinned by strong consumption. Its latest UK Economic Outlook warns that businesses cannot rely on a recovery in consumer confidence back to pre-reces-

Ms Rosemary Radcliffe, head of economics at Coopers & Lybrand, said there would be no recovery in house prices while structural shifts in the jobs market towards more short-term, part-time working meant consumers would remain cautious. She said GDP would grow by 2 per cent this year in contrast to Treasury expectations of 3 per cent growth.

"If the French and German slowdowns turn into recession which cannot be ruled out, even our central scenario of a modest 2 per cent UK growth rate may prove optimistic," she Graham Bowley, Economics Staff

Scottish investors fear tax rise

Scottish financial institutions are pressing the opposition Labour party to address fears that potentially higher taxes on investments after devolution could scare off investors. The realisation that the party's plans for a devolved Scottish parliament with tax-raising powers could result in dividends being more heavily taxed in Scotland than England has alarmed the Scottish financial community.

Under Labour's plans for Scotland, tax on income could be levied up to 3 per cent higher in Scotland than in England. Because dividends are taxed at source this may mean that investors, either in Scotland or elsewhere, could face a heavier tax burden on Scottish investments. Mr George Robertson, Labour's spokesman on Scotland, acknowledged the potential problem, but said the party was in close talks with Scotland's financial community.

James Harding, Westminster

This notice is issued in compliance with the requirements of the London Stock Exchange. Application has been made to the London Stock Exchange for the Series A ELITES redeemable into Ordinary Shares of 25 pence each of British Aliways Pic Issued by BZW Equities (Bermuda) Limited and guaranteed by Barclays Bank PLC to be admitted to the Official List. It does not constitute an offer or invitation to any person to subscribe for or purchase any shares. It is expected that Listing will become effective and that dealings in the ELITES redeemable into Ordinary Shares of 25 pence each of British Airways Pic will commence on 26th February, 1996.

10,000,000 ELITES Series A Equity Linked Income Tilted Euro-Securities redeemable into Ordinary Shares of 25 pence each of British Airways Plo

> **BZW BRITISH AIRWAYS ELITES** issued by



BZW EQUITIES (BERMUDA) LIMITED ed and registered with limited liability in Germude, under the sries Act 1981 of Bermude rechtaged number 50211488

Guaranteed by BARCLAYS BANK PLC

The aggregate nominal amount of ELITES of all classes (including the ELITES redeemable into Ordinary Shares of 25 pence each of British Airways Pic) which may be issued is £1,000,000. Copies of the fisting particulars are available for collection from the Company Announcements Office of the London Stock Exchange Tower, Capel Court Emzerca, off Borthologues, Lane, London ECN 1HP cluring normal business hours on 28th February, 1996 and up to and including 11th March, 1996 from:

Listing Agent Barclays de Zoute Wedd Securities Limite Ebbqate House 2 Some Late

Barcleys Bart PLC à Angel Court London EC2P 7H

Dated: 26th February, 1996

ilberalising and simplifying the licensing ne and reducing and eliminating both tarriffs and non-tarriff barriers; fostering export based industries and services by providing assistance in international market per ation back up and assistance in encouraging participation in regional, bilateral and antibilateral trade and occupate co-operation and seeking access leading role in both domestic and external markets with minimal intervention of the government and to help make Eritrea a trading nation.

Opportunities tend Beyond The Horizon **ERITREA**

Welcomes

上 For further information, please contact The Ministry of Trade & Industry on: Tel +291 1 113910 Fax: +291 1 120586

هلَدَ اعند الأصل





barrier.

eks

eace,

eren en Taratentieren 🕿

ins elusive

GSM is the world's first standard in digital mobile communications. It stands for Global System for Mobile Communications – and Deutsche Telekom played a big part in its development. Along with ISDN and Asynchronous Transfer Mode (ATM), it's just one of the foundation stones we are laying for the worldwide information infrastructure of the future.

We developed GSM with our partners in Europe – and it represents a major step in the quest for genuinely worldwide mobile communications. Promising guaranteed quality, global coverage and greater reliability of transmission, it's a considerable contribution to improved international understanding.

Developed in Europe. Designed for the world.

It has taken just five years for GSM to establish itself as the world-wide benchmark for digital mobile communications. In over 80 countries, across four continents, people depend on GSM networks – and the market is growing all the time. With our European partners, Deutsche Telekom has also opened the way for unlimited mobile communications between Europe and North America for the very first time, translating European-based GSM technology into a new global telecommunications language.

Our pioneering work does not stop there. While others make plans for the Information Superhighway, we're making it happen. We operate the most closely-woven fibre-optics network in the world – 100,000 kilometres of it. Our cable network is the largest in the world, and our ISDN network the most extensively developed. We were also the first company to use ATM: a new and much more sophisticated information transmission system.

Are we talking your language?

Deutsche Telekom is the No. 1 communications company in Europe and the second largest network operator worldwide. In the race to develop telecommunications technology, few others can keep up with us. We offer multimedia and online services, "smart" networks and a wealth of experience and know-how – all backed by strong business partnerships which span the globe.

If your company could benefit from what ours has to offer, let's talk.

Our connections move the world.

Telekom

Telekom

Michael Emerson, formerly the European Commission's top Moscow diplomat, is the target of an anti-fraud inquiry in Brussels.

His accuser is a retired Nato airman-turned-author who says that he is worried about KGB reprisals. The lady in the middle is a tall Russian called Elena. She is married to the American but appears to have divided allegiances. Elena is also on the European Commission

Let us be clear. Emerson, 55, is a career diplomat of 23 years' standing with a glittering reputation as

He helped launch the European monetary system in early 1977, working for Roy Jenkins, then the

Commission's president Colleagues describe Emerson, Oxford- and Harvard-educated, as an unworldly, monk-like figure. Any interest in money is cerebral only. That he is involved in impropriety defies belief.

The allegation is that he abused

Taciturn diplomat in Russian thriller

DATELINE

Brussels:

an anti-fraud

investigation has

highlighted an

obscure, expensive

EU aid programme

called Tacis, writes

Lionel Barber

to a market economy.

up a private business with a St Petersburg businessman by the

name of live Baskin. Emerson rejects any suggestion of misconduct. He told Commission investigators his contacts with Baskin involved only the possibility of setting up a future consultancy. At no point was he touting for busi-

We will know shortly whether the Emerson affair is Greek tragedy or a cheap thriller ending in a verdict of innocence.

Just now, the only positive result of much negative press coverage is that it has highlighted an obscure, hugely expensive EU aid programme known as Tacis.

Between 1991 and 1995, the EU Tacis is the ugly acronym for the committed Ecus 2.2bn (£1.8bn) to Tacis. During the next four years, it EU's programme of technical assistance to the former Soviet Union, will provide a further Ecus 2.2bn. intended to promote its transition

EU's faltering progress toward a

common foreign policy.

When EU leaders agreed to launch Tacis in December 1990, the idea was to encourage the reform movement led by Mikhail Gorbachev. Within six weeks, the programme was put on ice after Moscow's bloody crackdown in

By the time Tacis funds started flowing again, Gorbachev was on his way out and the Soviet Union was about to break up. A programme designed for a centrally-run Soviet Union suddenly found itself without a client.

Tacis was a good idea, but five years too late. The programme suffered, too, because the member states failed to match big ideas with adequate resources.

The Delors Commission was also gest multilateral aid programmes of its kind. It is a case study for the at fault. It was so anxious to seize a role in foreign policy that it took charge of a multi-billion dollar aid programme with a handful of staff, most of whom were close to a nervous breakdown after the first six

> Tacis's crash-start in 1991-93 ensured that millions of dollars were wasted. Money flowed to feasibility studies for projects which never actually materialised. Russian administrators took part in the programme one day and disappeared the next. Often they saw more profit in becoming capitalists

> Yet Tacis also provided vital sup-port for the nuts and bolts of a market economy, using carefully selected western consultants.

Useful causes include privatisation, banking liberalisation, envi-

ronmental aid, reform of the civil service and the retraining of

nuclear rocket scientists. Critics say that Tacis money has been spread too thinly, notably in Russia. But Tacis has had better results in the war-torn Caucasus where local administrations have been more willing to accept foreign

The EU has single-handedly led the policy of privatisation in Armenia, Azerbaijan and Georgia," says one official

The most serious charge against Tacis is that it is slow-moving and top-heavy. The Commission has started to be more flexible about how money is spent, releasing money more quickly for smaller projects at the "retail" level in the

Yet the laborious vetting procedures instigated by Brussels for

supervising larger projects are intended to prevent fraud, and to ensure that funds are directed in the consultants providing the know-how.

No Tacis money passes directly to Russians, Armenians, Ukrainians or any other locals - unless of course, they happen to run a con-

Which brings us back to Michael Emerson. After more than five vears in Moscow, he might have expected a big promotion. But his path was blocked because all top jobs in the Commission are doled out according to national quotes or

lei

Buch bound be both with the

He also lodged a request for early retirement, taking advantage of the generous Article 50 provision used to ease out non-performers, but was rejected on cost grounds.

In these frustrating circumstances, it is hardly surprising that the buttoned-up bureaucrat decided it was time to take a risk. We will watch his progress in the Wild East with interest.

PEOPLE

Murdoch's news dynasty

The media mogul's children have high aspirations, writes Alice Rawsthorn

Buddenbrooks theory of corpo-Lrate dynasties, whereby a dynamic entrepreneur creates a suc-cessful company only for it to be eroded by the incompetence of future generations, it was Rupert

As a schoolboy he was wont to sneak away from Geelong Gram-mar, his snooty Australian private school, to bet on local horse races, and as a university student be placed a bust of Lenin on his mantlepiece. There was little evidence that he was an ideal candidate to inherit the Australian newspaper empire founded by his father, the redoubtable Sir Keith Murdoch.

Rupert Murdoch, who inherited that business at 21, has since turned it into News Corporation, one of the world's most powerful media empires with revenue of A\$12.2ba (£5.9bn) last year. More, he seems set on defying the Buddenbrooks theory again by encouraging his own children to succeed him. His eldest son, Lachlan, 24, is deputy chief executive of News Corp in Australia, and last week Murdoch appointed his daughter, Elisabeth, 27, to a senior post at BSkyB, his UK satellite TV operation.

Neither of Murdoch's other children works for the family firm. Prudence, 39, the only child of his first marriage, to Patricia Booker, a former air hostess, shows no inclination to do so. James, 22, third child of his second marriage, to Anna when she interviewed him - she was a bright young editor on one of his Australian newspapers - may decide to join, but is busy with his own record business in New York.

It takes little imagination to see why Prudence might have chosen to drop out of the running. The pros-

f anyone seemed set to prove the pect of one of Rupert Murdoch's children bidding to become a media mogul seems just as intimidating as it would be for a child of Bill Gates

> to go into computer programming. At best, they will be hard pressed to match their father's achievements. At worst, they may end up like John Lennon's son, Julian, whose bid for rock stardom only yielded a couple of hit records, or like Rocco Forte, who had to tell his father that Granada had taken over the family firm.

Neither Elisabeth, Lachlan nor James seems short on ambition. Lachlan has admitted in an interview that because of his relationship with his father he felt an overwhelming need to prove himself. Even James has changed his mind about working for News Corp. "I guess I will always be involved," he has said, "it is the family business."

Elisabeth seems the most openly ambitious. The Murdochs are a family of strong women. Elisabeth was named after her octagenarian grandmother, as formidable a figure as the late Sir Keith. Anna Torv gave up her career to look after the children, then studied for a degree and published a novel rather than risk becoming "a whining wife". Elisabeth once said she did not see how she and her brothers "couldn't be ambitious - being relatively sane normal people", adding that Lachlan's promotion "does make me feel like I have to hurry up".

environment. Although Rupert Murdoch clearly was - and remains - besotted by Anna, he spent most of their New York honeymoon locked in meetings. All three siblings did well aca-

She and her brothers were

demically, and graduated from prestigious US universities: Elisabeth



Siblings take centre stage: Elisabeth and Lachlan Murdoch

from Vassar, Lachlan from Princeton, James from Harvard. Elisabeth went straight into television and in 1994 bought two Californian television stations affiliated to her father's Fox network with her husband, Elkin Pianim, whom she met while at Vassar. They bought the stations with a \$35m after little more than a year, emerging with a \$12m profit and a reputation as ruthless cost cutters.

Lachlan worked at various Murdoch papers after Princeton, including The Times, where a journalist who took him to the pub was telephoned there and warned: "Whatever you do, don't get him pissed." Lachlan saved him the trouble by ordering orange juice. He has since moved back to Australia where he played an important role in last year's negotiations to form News Corp's rugby "super-league" and late last year was appointed to the News Corp executive committee.

their father's youthful rebelliousness, but he too now seems reconciled to a career with News Corp. His sister, Elisabeth, clearly rates him highly and recently suggested that the Murdochs' would-be music mogul may prove to be "brighter than all of us".



Dingman launches paper bag raid from Czech base

Bahamas-based investor Michael Dingman's purchase of a controlling stake in Russia's largest paper bag maker last week is just the kind of bold, hands-on foreign investment Russia needs to get its monster, Soviet-era industrial plants back to work, Anthony Robinson writes.

But it is precisely the kind of investment which most potential investors in Russia are currently loath to make. Instead, they sit nervously on the sidelines awaiting the outcome of the presidential elections in June, muttering about it all being "too risky."

Yet 64-year-old Dingman takes the view that investing in eastern Europe is a lot less risky than putting money in US stocks, with the Dow Jones average hovering around the 5,600 mark. His way is to tackle the former Soviet market from a strong base in the Czech Republic, and forge links between cash-strapped, marketing-weak companies in industries such as paper, glass and oil.

He created his Czech base last October when he invested more than \$250m (£162m) buying controlling stakes in eight Czech ambitious young men in their thirties: Viktor Kozeny, the 32-year-old "father" of Czech investment funds, another Bahamas resident, and Daniel Arbess, a Prague-based Canadian lawyer who is now a partner in the Stratton Group, Dingman's eastern

investment vehicle. Dingman, former chairman of Allied Signal, the US conglomerate, and still chairman of Fisher Scientific International, made his fortune as "an asset and cash-flow driven investor", specialising in turnarounds. His trademark has been to spot under-valued assets and inject financial, technical and marketing skills.

His experience in industry has given him an incredible capacity to pick exactly the right guy to do the specific jobs required to turn companies around," Arbess said last week, en route from Segezha, north-east of St Petersburg, where he met the 8,000 employees of what is now the Stratton-controlled paper bag plant. Among the entourage was Lou Ross, former chief operating officer of Ford, who is also on the Stratton team.

Dingman believes there is sky-high potential in the former Soviet Union, where enterprises are typically huge, starved of working capital and hopeless at marketing. But his belief in synergy will not only be tested in Russia.

Last month he signed an oil and gas exploration deal with the Emirates state of Ras-al-Khaimah which is believed to have reserves of about 400m barrels of oil and 1.2bn cu feet of gas. Viktor Kozeny, who suggested that Dingman include off drilling equipment maker Moravske Neftove Doly among his Czech purchases, is a director of the company set up to look for the hydrocarbons. Moravske will supply much of the equipment.

Fulford eyes RJR Nabisco

RJ Reynolds Tobacco is Imperial Tobacco "in spades," says Ron Fulford, the man who wants to get his hands on the cigarette business of RJR Nabisco, the US company \$26hn leveraged buyout seven years ago, writes Roderick Oram. Fulford took a step towards his goal last week by resigning as executive chairman of Imperial, one of the UK's largest cigarette

makers and a subsidiary of Hanson,

the fragmenting conglomerate.

In nine years at imperial, he turned the troubled company into the lowest cost cigarette maker in Europe with an operating profit margin a handsome 45 per cent of sales. He quit to throw in his lotwith Bennett LeBow and Carl Icahn, the US corporate raiders trying to force a break up of RJR Nabisco. If they succeed, Fulford will become RJ Reynolds Tobacco's chief executive.

LeBow and Fulford will tour US institutional shareholders of RJR Nabisco outlining plans for the company. Fulford, one of Hanson' most respected turnround specialists with British Ever Ready, the battery maker, and London Brick to his credit, believes the Reynolds tobacco business is ripe

Reynolds plants were among the 45 he and colleagues visited around world when they sought ideas for revitalising Imperial. He revisited several years ago when revamping Imperial's sales and marketing.

He believes Reynolds' problems started when Kohlberg Kravis Roberts, the US leveraged buyout firm, "paid too much" for RJR Nabsico. KKR thought Reynolds could continue to raise its cigarette prices much faster than toflation. But not in the subsequent victous US price war. One cause of the war was Reynolds' introduction of scores of own-label products.

Proliferation of products, indifferent senior management and a weakening market position were other problems at Imperial. Fulford simplified the product portfolio, delegated responsibility and gave people financial incentives. That allowed senior managers to focus on strategy. Imperial is now poised to take UK market leadership from Gallaher, the American Brands

subsidiary. "Reynolds is a rather larger version of Imperial," Fulford says. __. He expects to find all the manager. . . he needs within the company. The bigger the company, the deeper the talent pool, he says. Reynolds is about six times the size of Imperial. But before he can fish that pool

he and his new colleagues have to convince RJT Nabisco's shareholders that they deserve the chance. Even in a country hot on shareholder value, it is a long shot.

CONTRACTS & TENDERS

REPUBLIC OF ALBANIA

Ministry of the Interior Prot. No. Thrana, on 26/2/1996 INVITATION FOR BIDS

. The Ministry of the Interior has received a budgetary fund from the Alber Government in an amount of 23.160.000 leke (twenty three million and one bundred and sixty thousand) and it is intended that this fund will be applied to perform the purchasing of cloths, raw materials, to be used for the sewing of

The Ministry of the Interior invites sealed bids to participate in an Intersectional Bid for the supply of Poplin for police shirts, waterproof cloth, cloth for men's Delivery period not more than 60 days.

. A complete set of Bidding Documents may be obtained at: Ministry of the Interior

Tel: 268 61/32 98

non refundable fee of USD 30 cash or by banker transfer, to the account no.

In addition to the above mentioned costs, all interested eligible bidders shall also bear the cost of consignment of the Set of Bidding Documents, to the final address, by DRL Courier Service. Interested eligible bidders may obtain further information at the office of:

Directory of Economic Affairs Procurement Department Tel: 268 - 01 / 33 58, Tel/Fax: 283 48 & Fax 336 07 6. All bids must be submitted to the Ministry of the Interior on or before 10/4/1996. 12.00 midday, when the bids will be opened in public and in the pres-bidder's representatives who choose to attend bids opening date.

If a Bidder withdraws its bid after the opening date, or fails to sign the contract after having been notified as a successful bidder, then the Bidder Security will be

7. Bidders may submit a bid covering one or more of the above me

Head of Bids Evaluation Commi

The Financial Times plans to publish a Survey on Credit Management

on Tuesday, March 5th

For an editorial synopsis and information on advertising opportunities please contact: **Melanie Miles** Tel: 0171 873 3349 Fax: 0171 873 3064

FT Surveys

Robert Chote · Economics Notebook

Personality has a role in policy

Britain's celebrated monthly "Ken and Eddie" show, a semi-public debate between two heavyweights, carries risks alongside its superficial entertainment value

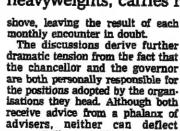
In their more sanctimonious moments, politicians like to com-

plain that the media concentrate too much on their personalities and not enough on their policies. Kenneth Clarke and Eddie George have argued that this is true of their monthly meetings to determine UK interest rates, which commentators persist in treating as tennis matches or sumo wrestling bouts. But personalities do matter. Unique among leading industrial countries, monetary policy forma-tion in Britain is dominated by an ongoing semi-public debate between two heavyweight protagonists. Clarke, the chancellor (or finance minister), may have the last say on interest rates, but George, the central bank governor, has enough clout with the markets to make his opposite number think

twice before ignoring his advice. This is a curious half-way house. In most leading economies formal control over interest rates is vested explicitly in the central bank. In Canada, Italy and Ireland, the central bank governor sets rates personally. In Germany and the US. special policy-making committees do the job collectively. But under neither model does the finance ministry have a formal role.

Norway is one of the few remaining examples of a leading economy in which the finance minister still sets interest rates. But the central bank there gives its advice in private, which gives it little influence in any public debate over policy.

This is why the "Ken and Eddie show" makes better entertainment than monetary policy setting in most other countries. Like sumo, it keeps the audience's interest because each fighter is capable of giving the other a tremendous a sulk if the other wins the day.



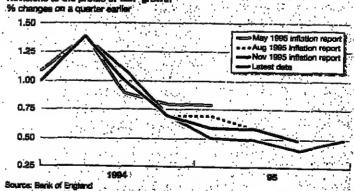
The Ken and Eddie show also has a high public profile - relative to most of its overseas equivalents because the minutes of their monthly meetings are published with a six-week lag. Journalists and economists can therefore pick over these documents, searching out any differences of nuance. The personalisation of the monetary policy process in Britain is not, therefore, a malevolent work

responsibility on to them.

of the press. It is an inevitable consequence of the way the mechanism has been set up. In the setting of interest rates the Bank is neither independent from, nor wholly subservient to, the chancellor. Hence the potential for tension between the two - and the desire of the press and the City to sniff it out. But does the personalisation of policy setting in the UK prevent the process working efficiently? Even though Clarke and George have complained about the way their meetings are treated by the media, the evidence suggests not. Whatever one thinks about their politics or prowess as economic technicians, both men seem psychologically well-suited to this sort

of policy-making system. Neither is the sort to bear a grudge. The chancellor and the governor are similar characters in that neither is inclined to go off in

shove, leaving the result of each Lower growth clinches Ken's case Revisions to the profile of GDP growth



They can agree to disagree and return a month later prepared to review the new situation afresh. One can imagine past chancellors and governors - and perhaps future chancellors and governors who would find it more difficult to let bygones be bygones. If either man let past defeats colour his judgements then the system would probably be a lot less stable.

Another point in Ken's and Eddie's favour is that neither feels much need to be liked, leaving them relatively unconcerned by the instant reaction to their decisions. Both are also decisive, so there is usually no dithering or delay.

These attributes have served the framework well, but one might argue that neither the system nor its protagonists has yet been put properly to the test. Their debates so far have in essence boiled down to assessments of demand: how quickly is the economy growing and how quickly can it be allowed to given the extent of spare capac-

ity? The debates have therefore, as the governor likes to point out, been "narrow" and "technical".

Things might be different in the event of a "supply shock" such as a rise in oil prices, which could leave the economy suffering inflationary pressure and weak economic activity simultaneously. In that event there would be a more fundamental and politically contentious dilemma about which problem policy should primarily aim to solve.

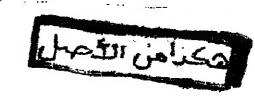
Another test would come if interest rate and budgetary policy became misaligned. Imagine that the chancellor was loosening budgetary policy to protect activity and employment, in the process fuelling inflation. Meanwhile the governor might be demanding increases in interest rates to combat inflation, thereby slowing activity. The policy mix could easily unravel as each tried to outbid the other - a danger which would be all the greater if the Bank were given formal independence.

Whether these problems arise or not, the monetary policy frame-work is in for a testing time. Over the past year the financial markets have by and large given the chancellor the benefit of the doubt in his discussions with the governor and the downward revisions to official estimates of growth and the Bank's forecasts of inflation suggest they were right to do so. But. as the election approaches, the markets may switch their alle-

giance back more to George. In the longer term, the monetary policy framework will also have to survive a change of cast. Shadow chancellor Gordon Brown is likely to replace Clarke if Labour wins the election, with party leader Tony Blair looking carefully over his shoulder. On the other side of the table, the governor's contract comes up for renewal in 1998. This raises several possibilities: George could serve a second term, he could be replaced by an internal candidate (probably chief economist Mervyn King or deputy governor Howard Davies) or an outside candidate might emerge.

Under some of the permutations which these changes might throw up, the chemistry between chancellor and governor would probably work very well Under others, however, it might very well not.

Brown has suggested depersonalising monetary policy by creating an eight-person committee to formulate the Bank's advice. But making the members of this committee appear accountable will not be easy, so the two-man sumo bout might drag on for a good while yet. If it does, the character traits of the players are likely to prove just as important as their prowess in eco-



Rowe & Maw LAWYERS FOR BUSINESS **FINANCIAL TIMES**

COMPANIES & MARKETS

© THE FINANCIAL TIMES LIMITED 1996

International Property & Plant Consultants 0171 405 8411

Monday February 26 1996

Heineken poised for Moretti acquisition

By Roderick Oram.

Heineken is poised to become the largest brewer in Italy through its purchase shortly of Moretti from Interbrew, the Belgium brewer of Stella Artois.

The deal, likely to value Moretti at \$150m-\$175m, will be a further step in the rapid consolidation of European brewers struggling with stagnant demand, over-capacity and competition from a plethora of small compa-

For Heineken, the Dutch brewer, the purchase will reinforce its strategy of buying stakes in, or control of, the previous few years.

consistence of the control of the co

LeBow and Carl

Ser Sousse Lange is a break up of an

Pernolds Tolans

Entered will be E and a philadelia of the

The plans for the

a the British Ever Ben

maistr. and London

. THE . I. DELETES TO

2227 025025 6 FB

Profits were among the

and builds early to

the sought des in

Tipenil. He reside

1 4 20 V 242 1878

and and marketing

es Reimolds produc

There ares

1.5 wheraged bayes

Luck for RE

hat the upon Bernold

Charles to make its giorne

The Control of the State of the

an euf seduent vans

in the cause of the w

ं- 'दश्र वंधरवंक वं

to label products.

n no management

at the set position re

a. a laperist 陆

o∼gus aceiter e**ad g**e ne al cocezani

er in mattagers to force

Citto Citi a for per

a . tag: leavershiping

in the English

in the rather large

ingeria. Fullari 🗫

na si, the many

- 15.5 (пе годіраву. Пе

シングランスト 四十世界を

the way Restolds b

ापः । १०५ ३१३६ व**िकास**

jish that pad جند ريا برو

- Trem of Meagues haven

and that they deserred

in the committee of

..... 1 is a long

The transfer of the control of the c

S. T. Na. 7,520 4

್ರಾ: ಜಿಇನ **ಸಂಗರಂತಿ**

್ ರ ಚಿತ್ರಗಳಿಂದು.

in the ound

international development of its own lager, the most global of beer brands. Earlier this month, for example, it bought a 54.4 per cent stake in Fischer Group, France's fourth-largest

For Interbrew, the sale is its second exit from Italy in a year. Last Febru-ary, it sold its Interbrew Italia subsidiary to Heineken for an undisclosed

The subsidiary, with capacity of some 700,000 bectolitres a year, brewing Stella Artois and Classica von Wunster, had suffered a halving of its market share to about 5 per cent over

The company was attractive to Heineken, however, for its distribu-tion network in northern Italy and the addition it would make to Heineken's existing five Italian breweries, which produce about 3.5m hectolitres of beer a year.

Last summer, Interbrew inadvertently regained an Italian foothold in the form of Moretti when Interbrew bought its parent, John Labatt, the Canadian brewer, for C\$2.7bn (US\$1.97bn). It was thought likely that Interbrew

would sell the Italian company, with

Heineken seen as the likely buyer. Heineken and Interbrew, which is

terday they could not comment on the subject. Analysts are expecting an announcement shortly, however. Moretti, with capacity of some 1.1m

incurred in the Labatt deal, said yes-

hectolitres a year and sales of 1,300bn (\$190m), has about 12 per cent of the Italian market. Its purchase will give Heineken a total share of more than 40 per cent, about five percentage points ahead of Peroni in which Danone, the French brewer of Kronenbourg, has a minority stake.

"Heineken taking market leadership will put pressure on Danone," one London analyst said. The French group's commitment to Peroni was eager to pay down heavy debt thought to be wavering.

Despite difficulties in the past few years, the Italian market appears to have good growth potential unlike stagnant markets in northern Europe. Wine drinkers by custom, the Italians are switching slowly to beer, which accounts for only 15 per cent of their alcohol consumed against more than 50 per cent for the Germans, British and Belgians,

Italian heer consumption is running at about 25 litres a head per year, the lowest in Europe, against Germany, the leading nation, at 138 litres a head. The British rank fifth in the league of European consumption, at 100 litres a head, and the Dutch sixth

UK claim | De Beers went to the brink of a price war to get agreement on Russian exports

By Andrew Jack in Paris

'n doubt

The volume of French shares bought and sold through the UK market is substantially lower than claimed by the London Stock Exchange, according to an analysis car-ried out by a leading French

Of all the transactions in French shares which are quoted on the London system, just 8 per cent are carried out through London's Seaq Inter-national (Seaq I) system, with the rest conducted directly through the Paris bourse, the study shows.

That contrasts sharply with figures published by the London stock market authorities, suggesting that Seaq I accounted for more than 52 per cent of such trades.

The London Stock Exchange said that Sezq I's figures were inflated by the fact that each transaction was recorded twice - for every buy and every sell operation. It added that it had changed its method for calculating volumes in January, and the first monthly figures produced under the new system would be available

aft - the end of February. Le figures, however, throw doubt on the London statistics for shares from other EU countries and provide a further embarrassing blow to the Lon-ton Stock Exchange and the City's hopes of remaining a

ding financial market. The London Stock Exchange has been coming under grow-ing criticism in the past few months for the way in which the statistics it produces exaggrate the importance of Seag L. its automated quotation sys-tem launched in 1985. Mr Rudolf Mueller, chair-

man of UBS UK, resigned from his position on the board of the London exchange last August, a year before his term expired. He cited his frustration at its inability to transform itself into a European

relying too heavily on Seaq L The study cost FFr200,000 (\$39,525) and was funded by the Société des Bourses Francaises, operator of the French stock market, which commis-sioned it at the start of last

It was carried out by Mr Bertrand Jacquillat, an academic at Paris's Dauphine Uniity, and has been approved by a number of his peers over the past few months in a process designed to ensure its rigour and objectivity.

The study calls the discrepancy between the published figures and its own far lower estimates "astounding", while adding that its estimate for trades of French shares through Seaq I of 8 per cent "is of little surprise" to trad-ers in the market.

on French Diamond deal heralds a share trade retreat from the abyss

the most durable cartel in recent history has bassed. This time last week, De Beers, the South African group which for 60 years has organised the cartel of rough, or uncut, diamond producers, was ready to see it ripped apart by the departure of Russia, one its most important members.

De Beers was willing to take the chance that a price war might break out, rather than have its London based Central Selling Organisation (CSO) sign another worthless contract with Russia.

But, to the relief of the diamond industry, Mr Nicky Oppenheimer, deputy chairman of De Beers, on Friday signed a "memorandum of gen eral principles", which will govern the future relationship between the Russian diamond industry and De Beers. As soon as possible, these principles will be expanded into a formal three-year trade contract with Almazy Rossii-Sakha, Russia's leave De Beers as "the sole and exclusive buyer of all rough

diamond exports". "The contract with the Russians has given De Beers a great deal of aggravation for at least two years," said one industry observer. "But the Russians have gone to the edge of the abyss, looked over the edge and did not like what they saw. The prospect of immediately losing the \$100m of income a month from the CSO concentrated Russian

As a bonus for De Beers, even as the final, tense negoti-ations were going on, Mr Yevgeny Bychkov, the most powerful man in the Russian diamond industry and for

chairmanship of Komdragmet, or the Committee for Precious Metals and Stones, by President Boris Yeltsin himself.

Mr Bychkov previously had been charged with illegal foreign currency deals and was linked with the activities of Golden ADA, a company set up in San Francisco in October 1992 by a Russian and two Armenian brothers. It imported large quantities of rough diamonds from Russia with the apparent blessing of Moscow. But Komdragmet has filed a suit in a San Francisco district court alleging Golden ADA did not pay for \$150m of gens and precious metals. The US Internal Revenue Service has also raided the company and is claiming \$63m in back taxes and penalties. The Golden ADA flasco must

have helped De Beers, because It undermined those in Russia, particularly nationalist politicians, who argued that the cut and Russia should take responsibility for its own diamond sales in the west.

Russian producers relied on the diamond cartel from the time it was set up during the South Africa and the Soviet Union were at opposite ends of the political spectrum, Russian diamonds made their way to the CSO via a complex web of The CSO acts as a kind of

buffer stock manager for producers in Angola, Australia, Botswana, Namibia, Tanzania and Zaire, as well as Russia and South Africa, and so con-trols well over half of world trade in rough diamonds. It stockpiles rough diamonds in

years a thorn in the CSO's hard times and releases them flesh, was sacked from the when demand is healthy. De when demand is healthy. De Beers is at present holding more than \$4.350n worth of

diamonds in CSO stocks.

ive years ago, the Soviet Union formally rejoined the cartel and gave the the cartel and gave the CSO exclusive rights to the diamonds it was exporting. De Beers says that contract has been worthless for two years. So, when negotiations reached a hiatus in December and the Russians wanted the existing contract to be continued for another year, De Beers refused. Since then the old contract was extended a month at a time. De Beers had decided that if a new one could not be agreed by March 1, it would bring down the curtain on the talks. De Beers had two central

gripes. It said the Russians were flagrantly breaching the contract by exporting huge quantities of rough diamonds without using the CSO. Analysts suggest well over \$1bn worth "leaked" to the west in this way in the past 18 months. Also, as Russia began to build up its domestic diamond

cutting, the locals were given first choice of production, leav-

ing De Beers with the dregs. The Russians were not happy either. They found it hard to understand that the CSO alone sets prices. They felt, as big producers, they should be involved in that process. They also suggested they could get as much as 35 per cent more for their diamonds by selling outside the CSO, so they wanted to increase the proportion of stones they could sell independently from the 5 per cent permitted under the

contract for "market testing".

It remains to be seen

Keeping the cartel on the road





Country		Production (will types)	n (cts.m) (Gem)	Sales value (Son
Botanene .	10 × 18	74.7	3.5	1.30
Aussia - newly m	ined	10.5	2.1	0.64
Auesta - from sto	cicole	30.0	4.2	1.82
South Africa		10.3	3.7	1.00
Named in	W	1.1	1.1	0.46
Australia ·		42.1	1.7	0.38
Angola -	1 X	1.0	0.5	0.20
Zero		15.6	0.8	0.81
Ghara 2	Michael	0.6	0.1	0.00
Central Africa Re	1 M 10 5 5 1 1 1 1 6 75	0.5	0.3	0.07
US abrategic atoc	kolle	13	0.4	0.11
Other	10 Car. 1	11.5	2.9	0.90

Friday stops the leakage. But the memorandum promises the leakages will stop and was signed by Mr Vladimir Panskov, Russia's minister of finance, rather than by a Kom-

Source: Yorkton Securities

dragmet official. De Beers is also promised a good cross-section of Russia's liamond production, instead of what is left once the local cutters have taken their pick.

News that Russia is staying in the cartel will be well received in diamond cutting centres, particularly as it comes when sales seem reasonably buoyant. Last year the CSO's sales reached a record \$4.531bn. more than 3 per cent above the previous peak in

however. Terms of the new three-year contract have still to be thrashed out and some observers will not relax until

these are known. Meanwhile, Australian producers, angered by the way De Beers made selective price increases last year, are threat-ening to quit the cartel when their present contract expires in the middle of 1996.

Further ahead, two of the world's biggest mining compa-nies, BHP of Australia and RTZ-CRA, the Anglo-Australian group, are to become dismond producers. Whether they will join the cartel remains open to question.

Kenneth Gooding

INSIDE



TONY JACKSON **GLOBAL INVESTOR** Deep job cuts have become the biggest Wall Street fad of all, a trend that reached a probable peak with the recent announcement by AT&T, the long-distance telephone company, that it was shedding 40,000 jobs. AT&T's announcement has ecome a hot political issue in the race for

the US presidency, but it is in manufacturing, rather than telecommunications, that the dangers of the job cutting and of Wall Street's appetite for it - are greatest. Page 22

The Inter-American Development Bank's maiden global bond, expected this week, has brought the "global" concept under renewed scrutiny. When the global concept was launched in 1989 it promised much, but recent deals have failed to live up to the expectations of investors.

EQUITIES: The London market will be absorbed today with the government's fortunes in the debate on the Scott report on arms for Iraq. Economic data in the US will dominate proceedings, with figures on retail sales, the consumer price index and the producer price index all due. Page 23

M EMERGING MARKETS: The turmoil in South Africa amid the collapse of the rand has injected new fervour into the perennial debate over the future of exchange controls - which the reserve bank and the government have pledged to abolish. Page 23

The starting point for the dollar this week will be the feedback from the first meeting, held last Friday, between President Bill Clinton and Mr Ryutaro Hashimoto, the Japanese prime minister. Good relations will help the dollar, while tensions are likely to weigh on it. Page 23

Persistent excessive stock levels in the world zinc market are likely to cast a shadow over the American Zinc Association's five-day annual international conference, which began in Palm Springs yesterday, Page 22

INTERNATIONAL COMPANIES:

Portugal has rejected a Es152bn (\$989m) takeover bid for Banco Fomento e Exterior and opted to seek competing purchase tenders for the state-controlled financial group. Page 21

Members of the family that founded Umbro, the Manchester-based sportswear manufacturer, are planning to take legal action against its US parent, which is preparing to float Umbro later this year. Page 20

STATISTICS

Dividend payments	idon recent Issues
Foreign exchanges27 Nen	v (nt bond issues

Companies in this issue

Asia Motor	20	Heineken
SET	19	Hyundal Motor
Banco Barnerindus	21	Interbrew
Banco Fornento e Ext.	21	KGa
Brambles industries	21	Moretti
Bra-X Minerals	21	NatWest
British Aerospace	1	North Remokli
Chalses FC	20	SAS
Daswoo	20	Shows Shell
De Beers	19	Ssangyong Motor
First information	20	Tower Semiconductor
GEC	1	Umbro
Granada	20	Union Bank of Norway

Scandinavian Airlines System plans to streamline ownership structure

By Christopher Brown-Hunnes

Scandinavian Airlines System has unveiled plans to simplify its ownership structure - one of the most complex in the Nordic region - to increase its market visibility at a time of heavy investments in new air-

This will mean a significant overhaul of the Swedish, Danish and Norwegian holding companies which own SAS, but it will not lead to the airline's shares being directly quoted on the stock market.

Mr Peter Forsmann, SAS information director, said the streamlining was needed because of airline industry deregulation and the group's big fleet replacement proahead of us because we are totally renewing our fleet over the next 10 years," he

"It is in our interest to have a clearer ownership structure. good analysis of our company and as good an access to the capital markets as poss-

At the same time, national sensitivities mean the airline will not get the single domicile and direct listing that many observers believe it would SAS is three sevenths owned by the Swedish group Sila, and

two-sevenths each by Denmark's Det Danske Luftfartskab (DDL) and Det Norske Luftfartselskap (DNL) of Norway. The Swedish, Norwegian and

Danish governments hold 50 per cent of each respective The streamlining will not

effect this ownership structure nor the division between state and private ownership, but it will force the three holding companies to separate their non-SAS activities, harmonise their accounting procedures, and align their capital to the size of their SAS sharehold-

ings.
Sila is planning a one-off dividend because it has too much capital, while DDL is planning a rights issue because it has

Mr Forsmann said: "We want SAS to be exposed to the mar-kets as SAS. The changes planned will make it much easier for investors to underreasons SAS's owners were unwilling to change the company's broader ownership struc

If the airline had one domi cile, all its tax income -SKr750m (\$108m) last year would go to that country, and the two others would get noth-

plans to renew a third of its flest. A year ago, it unveiled a SKr8.5bn order for 35 Boeing 737-600 aircraft with option purchase a further

Last week the airline disclosed a record SKr2.83bn pretax profit for 1995, up strongly from SKr1.5hn a year earlier, in spite of the impact of strikes and a weaker fourth-quarter

BET letter attempts to spike Rentokil's guns in bid battle

By Patrick Harverson

BET, the UK business services group facing a hostile £1.8bn (\$2.77bn) bid from Rentokil, has launched a pre-emptive strike against its rival by ending a letter to sharehold ers outlining the improvements BET has made in the past five years.

The letter from Sir Christo pher Harding, chairman, is an attempt to diminish the impact of the environmental md industrial services group's offer document, which this week will put to BET's shareholders the case for accepting the takeover offer.

In the letter, sent over the weekend, BET advises shareholders to reject the "inade quate" offer from Rentokil and details the recovery in

BET's fortunes since 1991. BET says between 1991 and 1994 its total net debt was cut from £712m to a net cash position of £33m and the company "sharpened its focus" by reducing profit centres from 160 to 55 and concentrating on

growth potential.

179%p a share.

The letter also outlines BET's profits and dividend record over the past 18 months and notes turnover grew more than 10 per cent in the six months to September 30 1995. Sir Christopher asks shareholders to consider this record when they receive Rentokil's offer document, which is expected to be published tomorrow. Rentokil has offered nine new shares and 800p cash for every 20 BET shares, or a cash alternative of

in an increasingly heated bid battle. Last week, BET rejected an unexpected offer from Rentokil to buy just three-quarters of the comp Some analysts saw the approach as an attempt by Rentokil to allay City of London concern that its bid might be over-ambitions.

The conduct of the bid battle has also incurred the wrath of City regulators. On Friday, the Takeover Panel criticised Laz-ard Brothers, the merchant bank acting for Rentokil, over its handling of the announce ment of its chent's bostile bid on February 16.

The panel said Lazard had failed to keep it fully informed of Rentokil's intentions and should bave acted more quickly to prevent a false market in BET's shares.

ARRIVE FRELING EVERY HURDLE LOL HYLE TO FACE ISN'T A PROBLEM.

When you fly Delta nothing should get in the way of you relaxing. Our flight attendants recognise whether to leave you alone, to let you sleep or to make time for a friendly char. A Delta Air Lines That's why every passenger who gets off any of the 500 flights to our home town of Atlanta, the venue of the 1996 Olympics, arrives feeling like they can take on the world. You'll love the way we fly

t,

Family that sold Umbro plans lawsuit

By Patrick Harverson

Members of the family that founded Umbro, the Manchester-based sportswear manufacturer, are planning to take legal action against its US parent which is preparing to float Umbro later this year.

Mr Stuart Humphreys and Mr Ben Humphreys - son and grandson respectively of Umbro's founder Mr Harold Humphreys - have instructed their solicitors to prepare proceedings relating to the sale of Umbro to the privately-owned Stone Manufacturing company of North Carolina in September 1992 for £2.9m.

The two men - who owned 37 per cent of Umbro before its sale - claim that £3.9m was not ing a lawsuit in the US was

a "fair" price for a business that made pre-tax profits of £2.1m on revenues of £65m in 1992, and which analysis expect to be valued at more than £100m when it goes public this year.

Mr Ben Humphreys points out that Stone bought Umbro for £2.9m only three months after it had made an offer to buy the company for £14.8m.

The Humphreys' solicitor. Mr Stephen Cantor of Boote Edgar Esterkin in Manchester. said on Friday. I have been instructed by Ben and Stuart to bring proceedings in respect of the losses they say they have suffered as a result of the sale of Umbro for £2.9m." He said that the possibility of filbeing considered. Stone Manufacturing would not comment on the allegations yesterday, because, according to Mr Peter Kenyon,

Umbro's US-based chief operating officer, all parties to the 1992 sale of the company had signed confidentiality agree-However, Mr Kenyon has previously explained that delays in the progress of the

takeover resulted in the com-

pany's bank announcing it

would call in the receivers. He

said that the £2.9m offered for

Umbro was a fair price at a

time when the country was in the grip of a recession and the

bank was about to call in its

plans for a flotation. The company, which operates in more than 50 countries, is believed to be considering listing the shares in both New York and London. Industry analysis say the flotation could value Umbro - which made 1994 after-tax profits of \$4.2m on sales of £75m in the UK alone at anything between £100m

and £200m. People within the industry believe Umbro is going public because it needs a new source of capital to fund its expansion. The head of a rival sports goods manufacturer said: "I think they have to go public they're strapped for cash. They are not making a great return on their trading, because they're ploughing everything back into building the brand's

Although dwarfed in the sportswear industry by Nike, Reebok and Adidas, Umbro has a high profile in football. Worldwide, more than 80 professional teams wear Umbro kits - including Manchester United, Ajax of Amsterdam, and Inter Milan - as do several national squads, including England and Brazil.

In the past month alone Umbro has signed two sponsorship deals worth £80m with Manchester United and Everton, and it is also one of the official sponsors of this summer's European football championships in England.

last year. One analyst said: "The mar-ket has become tighter. Gemms are

making money, but it is limited to the

big players." Another observer said:

and the repo market was probably the

of the top seven Gemms stands at about

70 per cent. Analysts say this group is made up of BZW, Goldman Sachs,

HSBC, Lehman Brothers, Salomon

Brothers, NatWest and SBC Warburg.

house, gave up renounced its coveted

status as a Gemm last April and Bank-

ers Trust, the US investment bank, pul-

led out of gilt market-making in Decem-

ber. Société Générale, the French bank,

on the other hand, bucked the trend

when it became a Gemm in September.

Nomura, Japan's largest securities

Analysis estimate the market share

last nail in the coffin.

maichi was never very profitable,

Granada seeks TV executive

Granada, the hotels and leisure group, said yesterday it had started looking for a senior executive to oversee its expanding television interests, writes Raymond Snoddy.

The search has become necessary because of management changes due in April. Mr Gerry Robinson is due to take over from Mr Alex Bernstein, chairman, and Mr Charles Allen, whose present responsibilities include television. becomes chief executive.

Granada said yesterday: Conversations have taken place with a number of internal and external candidates, but no appointment has been made and is unlikely for some

Mr Duncan Lewis, the former head of Mercury Communications, is among those to whom Granada has been talking. The signs are Granada is at the early stages of finding a replacement for Mr Allen.

Lopex sells its stake in WBF

Lopez, the advertising and marketing services company, has agreed to sell its 73 per cent stake in Warwick Baker & Fiore, a New York-based advertising agency, back to WBF for \$2.9m (£1.88m) in staged cash payments.

The disposal forms part of Lopex's strategy of disposing

over of Barings has prompted fewer defections than Swiss

Bank Corporation's acquisition

A pragmatic ING has, for

NEWS DIGEST

Showa Shell says the worst is over

Showa Shell, Japan's largest oil refiner, reported another steam fall in annual profits, but said the worst was over. The groun an affiliate of Royal Dutch Shell, announced a 22.3 per cent fall in recurring profits - before tax and extraordinary items - to Y19.09bn (\$182m) for 1995, slightly better than the Y18m the market had expected. It attributed the bulk of the Yabbn fall in profits to a Y3bn write-off for earlier foreign exchange losses. This, said Showa, completed the write-offs required to clear losses on forward US dollar contracts, taken out in the early 1980s to cover oil imports, on what turned out to be the wrong assumption that the US currency would fall against the

Sales fell by 3.3 per cent to Y1,354bn. Showa Shell blamed more than half the fall on the price war in petrol, diesel and fuel oil. It was the fourth successive year of decline for both sales and profits at the company, which expects a slight recovery this year. Net profits dropped sharply, from Y38.71 per share in 1994 to Y26.48 last year, and are expected to stagnate in the current year at Y26.54 per share, it said. William Daukins, Tokyo

Tower Semiconductor to expand

Tower Semiconductor, the Israeli semiconductor manufacturer, is considering building a \$1hn manufacturing plant in Israel to expand its growing business. A final decision to invest would depend on the incentive package the government would offer.

The Tower move follows two large semiconductor investment announcements made recently by Intel and Motorola, both seeking to exploit Israel's hefty subsidy policy for companies investing in development zone Ani Machiis, Jerusale

Oslo to proceed with UBN sale

The Norwegian government is to proceed with the sale of its stake in Union Bank of Norway (UBN), the country's largest savings bank. The government stands to raise about NKrl.7b. \$280m) from the sale of up to 10m primary capital certificates. (PCCs) in UBN, 43 per cent of the bank's PCC capital. The PCCs, similar to equity but with reduced voting rights, closed at NKr176 in Oslo on Friday.

The sale of the stake is part of the government's programme to dispose of its holdings in four banks. Last year it sold its shares in Fokus and Christiania and this year it is expected to sell off some of its holding in Den norske, the country's top commercial bank. The PCCs will be sold to domestic and foreign institutions and the Norwegian public. The book-building exercise will commence on March 1, with pricing on March 15 and allocations on March 16 and 17. Dresdner Kleinwort Benson is global co-ordinator.

The Korea Automobile Manufacturers' Association (Kama) estimates that South Korea's five vehicle producers will report a record year for sales and profits in 1995, with combined net earnings of Won138bn (\$177m) and sales up by 18 per cent to

Best year for Korean carmakers

Hyundai Motor, the country's largest maker of vehicles, is expected to report net earnings of Won210bn on sales of Won10,200hn, while profits for Kia and Daewoo were estimated at Won10bn each after both reported losses in 1994. Sales for Kia in 1995 are expected to be Won5,700bn, with Daewoo at Won3,600bn. Asia Motor, the truck subsidiary of Kia, is estimated to have a net profit of WonSon on sales of Won1,600bn. However, Ssangyong Motor is expected to post a loss of Won100bn on sales of Won1,000bn due to heavy investment in production expansion and development

Ouantum official denies loss

Mr Richard Katz, an executive director of the 26bn Quantum fund run by Mr George Soros, described as "completely incorrect" reports that shares in the fund had lost \$1.6bn in value this month. He said net asset values per share had fallen rom \$25,330 at the deginning of February to \$19,910 at the latest valuation, but the fund had made a distribution worth \$4,200 a share, leaving a net fall of about 5 per cent. Since the beginning of the year, net asset values had fallen by about 2

Since early February, the price of shares in the fund, including a premium of roughly 30 per cent, has fallen from about \$33,000 to about \$27,000 before taking account of the

Yamaichi quits market-making in gilts

By Graham Bowley, Philip Gawith and Conner Middelmann

Yamaichi, the Japanese securities house, is ceasing to be a gilt-edged mar-ketmaker in a move which underlines the strong grip a few large dealers have on the industry.

Yamaichi International Europe announced on Friday that its subsidiary. Yamaichi Gilts, is to pull out of gilt-edged market making with effect from today and that all its gilt trading activities will be transferred to Yamaichi International's European government bond desk. Of the eight trading, sales and sup-

port staff employed by the gilts division, six are leaving the company. Yamaichi has made markets in gilts since

Internationale Nederlanden Groep has high hopes for the

first anniversary of the col-

lapse of Barings - just as it has

had for every other event

which could serve to draw a

line under the past of the UK

But ING Barings, the merged

investment bank, and Mr Hes-

sel Lindenbergh, its chairman

and chief executive, cannot yet

devote their full attention to

the construction of the emerg-

ing markets powerhouse they

trader whose unauthorised

derivatives positions brought

down the bank with £890m in

of the collapse with his book

Also, the bank is still

Ernst & Young, administrators of the failed Barings compa-

nies; some of the 21 executives

dismissed by ING; Abbey

National, Barings' partner in a

derivatives venture; and the

vociferous holders of £100m of

Barings bonds which are now

nearly worthless.

es, has reopened discussion

Mr Nick Leeson, the Barings

have planned

merchant bank it rescued.

The move highlights growing compet-

itive pressures within the industry and for 20 Gemms". He also said that Japaits polarisation between a few large dealers. It also follows the introduction of the open market in gilt sales and repurchase agreements, or repos, on January 2, which removed the exclusive privilege of gilt-edged marketmakers, or Gemms, to "short" the market, that is, sell gilts they do not own. Since repos allow everyone to go short of gilts. some banks have questioned the need

Mr John Shepperd, chief economist at Yamaichi, said: "Institutional changes have made it much less important that one is a Gemm. We can keep a major presence in the market without being a marketmaker and our intention is that we will still be involved."

He said that in "a fiercely competitive market of such size and liquidity one has to question whether there is a need

The official inquiries into the

collapse of Barings, with which

ING has to co-operate, have

proliferated. The reports by the

Bank of England and the

inspectors appointed by the

Singapore finance ministry are

out. But the Securities and

Futures Authority, the indus-

try regulator, is considering disciplinary action against executives including Mr

Andrew Tuckey, former deputy

chairman, who still works for

ING, as a consultant. And the

Commons Treasury Select

Committee announced last

week it planned to question six

Barings executives, among oth-

The frustration of Mr Lin-

denbergh - a 52-year-old for-

mer engineer whose Dutch

bluntness has not been soft-

is palpable. He is particularly

irritated by the extra demands

of the administrators and

"quite upset," he says, about

the attitude of Abbey National.

"It is a disappointment that it

took us a lot longer than we

thought to get the legal issues

sorted out," he says.

ers, after the Easter recess.

nese investment flows into gilts had been limited, partly because of political and currency risk in the UK. Instead, Japanese investors had preferred other European government bond markets.

One industry analyst said he was surprised by the move. While Yamaichi was never a big player in the market and lacked a large investor base, he said it had spent a lot of money in raising its profile in the market by hiring well-regarded analysts, including Mr Shepperd and Mr Nigel Richardson, head of bond research.

Gilt-edged marketmakers are the official dealers in UK government debt. They are committed to quoting firm bid and offer prices, which can be costly in volatile markets.

Many banks suffered big losses in 1994 from a sharp fall in bond prices

A year after Barings crashed, its Dutch rescuer ING is still picking up debris, writes Nicholas Denton

The battering, both in the

courts and the media, is all the

more galling because the

underlying business, which

ING acquired for a cash injec-

tion of £660m, is recovering

Barings' corporate finance

department had the good for-

tune that its two largest cli-ents, Wellcome and Lloyds

Bank, were both involved in

huge M&A deals last year.

That, and a strong and cohe-

sive culture, helped advisory

fees to a record year, probably

BAM, the asset manage-

ment business, was least impli-

cated in the collapse of the

group, but seriously affected. So tarnished is the Barings

name, and so important is rep-

utation in asset management.

sidering a change of identity.

But now that a year has

passed since the collapse, BAM is hopeful of winning mandates

from clients in the Far East.

where anniversaries are an

occasion for rehabilitation. In

the US, BAM has re-established

its credibility enough to go

in excess of £50m.

Maybe this time, we can put it all behind us

through to final presentations with three clients · Last month, the rebuilding of the derivatives business was well enough advanced for ING Barings to announce the creation of IBFP, a separate entity for derivatives. The emphasis will be on over-the-counter products, tailor-made for companies and investors, rather than the riskier proprietary trading by which Barings made

most of its profits. The equity broking, which was Barings' largest source of revenue, suffered from the unexpectedly long closure of Barings' Singapore and Tokyo offices after the collapse. Brokerage income, which comes mainly from emerging markets trading, was "very, very depressed" in the second half Lindenbergh. Bonuses in the division are expected to be

commensurately low. But ING Barings is poised to benefit from a return to favour of emerging markets this year. ING Barings is expanding in eastern Europe through ING's existing network of bank



Hessel Lindenbergh: defused tensions with his dry hamour

branches. And in emerging markets such as the Philippines and Mexico, the equity tal to provide a seller with instant proceeds while waiting until the company is in fit state for a public offering.

The turnaround owes much to luck, the passage of time and the powerful strategic logic of the acquisition. In addition, crucially, ING's take-

instance, allowed the corporate financiers to operate under Baring Brothers, a name to which they were attached. And, immediately after the collapse, ING braved an outcry by paying employees the £100m of

of S.G. Warburg.

bonuses they had been promised, in order to retain them. Tensions have also been defused by Mr Lindenbergh's transparent honesty and dry sense of humour. "He has hit exactly the right note with the people here, with the result that they have all stayed," says

a Barings executive. Mr Lindenbergh is said to have an uncanny sensitivity to executives at meetings. "Hessel would pick up that someone was burning with emotion."

says a colleague. "Come on, what's the trouble?' he'd ask." That was not a question often raised at buttoned-up management meetings at Bar-

ings before the collapse

PHARMACEUTICAL

BUSINESS NEWS ...

Dublished fortnightly, Pharmaceutical Business News brings you up-to-date news, quantitative analysis, forecasts and inside information on new product introductions and joint venture agreements. Pharmaceutical Business News also contains round-ups of essential interim and year-end company financial performance and results, plus news on acquisitions and mergers, and regular comment and views from the world's stockmarkets.

Who should read Pharmaceutical Business News?

Anybody that has dealings with the pharmaceutical business will find a subscription to Pharmaceutical Business News invaluable. It is an essential source of information for all pharmaceutical executives involved in:

■ Management ■ Marketing

Sales

Finance

■ Research & Development

■ Manufacturing

Tall or fax now for your FREE FT Pharmaceuticals & Healthcare,

Aura House, 53 Oldbridge Road, London SW12 8PJ. Tel: + 44 (0) 181 710 2194 Fax: + 44 (0) 181 673 1335 E-mail: 100414.271 @ CompuServe.com

Pearson Professional, Registered Office: Maple House, 149 Tottenham Court Road, London W1P 9LL Registered No. 2970324 (England and Wales)

FT GUIDE TO WORLD CURRENCIES

					DE 100)			7 910		U-MANN	(X 100)		5 910	US S	D-MARK	
Algherstom Arbertie	(Algheri) (Lei)	7318.90 149.034	4750,00 96,7500	3272,93	4529.30	Greeniumi	Dracivno) Danish Kronei	8.6432	240.095 5.5112	165,434	224.934 5.3504	Patentan (Pail Rupan)	52,6274	34,2957	23.6310	
Marries .	(Dinar)	81,8458	53.1328	36.8105	50.6630	Grenada	(E Carb S	4.1591	2,7000	1,8604	2,5748	Parezna (Belbos) Papus New Guines (Pane)	1,5404 2,0876	4	0.8880	0
ndona	(Francis Fr)	7.8602	4,9660	3,4356	4,7542	Gundelout		7,6802	4.0000	3,4356	4,7542	Paraguay (Guaran)	3088.50	1.2514 2005.00	0.9312	
	Sp Peeda	186.316	122.255	84,2363	116.572	Guarn	(US S	1.5404	1	0.6890	0,9535	Peru (New Sal)	3,6406	2,3636	1361.52	
ngole ntimus	(Finance) (E. Carlo Si	8680.16 4.1591	5535 00 2,7000	2882.73	5873.06	Gueterraia	(Cuntan)	9.4898	6.1808	4,2449	5.8742	Philippines (Peso)	40,3033	26,1850	1,6265 18,0267	
idecruius Lodina	(Pest)	1,5401	0.9999	0.5890	2.5745	Guinea-St	(Fri	1535.78	997.000	68d_970	950.856	Pitosim is (C. Sterling)	1	0.8400	0.4473	
armenta	Downs	819.395o	402,100	277.082	363,409	Gurana	(Poet) (Guyanese S)	27782.7	12036.0	12427,5	17197,8	0KZ 50	2.2775	1.4784	1,0187	
Inde	(Florin)	2.7573	1.7900	1.2334	1.7068	-	transferrence of	E 145 PAGE	1-90-900	80.797a	132,443	Poland (Zloty)	3.9240	2,5476	1.7563	
Lucirain	(Aum S)	2.0958	1.3215	0.9100	1.2601	Ham	(Gourde)	24.9175	16,1750	17,1450	15.4241	Portugal (Escucio) Puerto Rico (LS III	232,339	150.835	103,931	7
lustria Lustrian	(Schling) (Versit)	15.7245	10.2064	7.0340	0.7330	Honduras	(F. OTTED IN)	18.0018	10,4400	7.1936	9.9547	Lead to the sign of the sign of	1,5404	1	0.6890	٥
	(Port Escudo)	6847.08a 232.330	150,835	3062.77	4238.26	Hong Kong		11.9108	7.7325	5.3280	7,3731	Ceter (Rhot)	5,6088	3.6410		
	(Lou calciforá	232.330	104,639	103,931	143,824	Haragary	(Fortnt)	217.213	141,015	97,1646	134,460	Reunion is, de la (F/Fr)	7.6802	4.9860	25088	
Softwerene.	(Bahana S)	1,5404	1	0.6890	0.9535	Joshmet	(lovende Krons)	***				Romenta (Laus	4744.43	\$080.00	3.4355 2122_24	3
Safetin .	(Ciner)	0.5807	0.3770	0.2698	0.3568	india	Ridien Rupes	101.548 55.8454	86.2560 36.2560	45,4214	92,8668	Paragraphic (Planufolie)	1.00780	0.6541	0.4507	
latorno la	(Sp Perest)	188,316	122.255	84.2383	116.572	Ireferensia	(Pupleit)	3682.06	2312.50	24,8611	34,5697	(Rouble)	7403,93m	4806.60	3311,85	
langladuuh	(Take)	82,3942	40.5000	27.9060	38.6174	keen	(Filed)	4821,20u	3000.00	2087.11	2205.01 2860.55	Production (Pri)	330 .Bin	220.000	161,588	
terbados	(Bart) S)	3.0982	2.0113	1.3859	1.9176	yad	(Pagi Dinar)	0.47690	0.3109	0.2142	0.2965	St Christopher (E Carlo III				
Seigrus Seigrum	(Rouble)	18812.1a	12212.5	8414.87	11544,8	had	(Ireq) Dine)	1540.40m	1000.00	669,037	953,516	St Christopher (E Carlo S)	4,1681	2,7000	1,8804	
Select 1	(Balg Fr)	45.3949 3.0808	2,0000	20.6747	28,4720	Irigh Flep	(Punt)	0.9701	0.6296	0.4339	0.6005	Stude (E Carb S	4,1591	0.6492	0.4473	
in the contract of the contrac	(CFA FI	768,020	498.600	1.3781	1.9070 475.423	brook	(Straint)	4.7940	3.1123	2.1445	2.9676	St Phone Prench FA	7.6802	2,7000	1.9804	
Surruch (Germuden S	1,5404	1	0.6800	0.9535	Healy	(Live	2404 10	1880.75	1075.42	1485.20	St Vincent E Carlo S	4,1591	4,9860 2,7000	3.4355	
Call In	(Rollviend)	65.8454	36-2550	24,9811	34,5897	Auronos	(Jernacous S)	\$7.9961	97 8860	95 9455		Sam Martino Station Line	2404.10	1560.75	1.9804	
ighete.		7.6884	4.9900	3,4385	4.7580	Japan	(Yw)	181,544	37,5500 104,875	25.9423 72.2628	35,6999	Sea Tome (Dobre)	2853.02	1852.13	1278.19	
OCHWATA	(Puki)	4.5336	2.3429	2.0278	2.8061		(Jordanian Direct)	1,0921	0.7080	0.4986	0.5780	Sauci Arable (Riyal)	5.7771	3,7505	2.5842	
aracii aracii	(Fleat	1.5124	0.9619	0.8796	0 9363				4.1 4.32	ev-200	ma140	Senegel (CFA Fr)	788.020	498,600	343,564	
Brytopi Buktoria	(Brune S	2.1696	1.4085	0.9705	1.3430	kazakhstan	(Terron)	100,581	65,3800	45 0365	62,3218	Seychelles (Rupes)	7,5588	4.9070	3.3811	
Surkino Pase	(CFA F/)	116,100 768,020	75.3700 498.800	51.932B 343.654	71.9885	Kenya	(Kenya Sharay)	89.9979	58,4250	40.2570	55 7002	Sterra Lagne (Legne) Singapore (S	1401.78	970,000	627,024	4
hartha.	(Kunt)	8.8391	5,8031	3 9986	475 423 5.8334	Kintosti	(Australian Si	2.0358	1.3215	0.9106	1.2601	Storaide , (Koruma)	2.1696	1.4085	0.9706	Б
urundi	(Burundi Fr)	396,188	257,184	177.209	345,329	Korea Nasti Korea Souti		33119	2,1500	1.4614	2.0501	Slovenia (Tolar)	45,8785	29.7835	20,5220	
						Numerit	(Victorial Climan)	1201.86	780.250 6.2388	537.621	743,961	Solomon is Si	5.3889	3,4984	90.8217	
anbode	(Phu)	3542.92	2300.00	1584.79	2163.00		to come of the last	-	0-2366	0.2059	0.2849	Someli Plep (Shilling)	4035.85	2620.00	2,4105	
ameroon	ICFA PI	768,020	496.800	343.554	475,423	Lage	New York	1417.17	920,000	833.B14	877.236	South Africa. (Rend)	5,9381	3.8550	1805.28 2.6562	
aracia arary is	(Sp Pesetal	2.1213	1,3772	0.9489	1.3132	Latvig	(Late)	0.8320	0.5401	0.3722	0.5150	Spain (Pasetti)	188,318	122.255	84.2383	
o. Verde	(CA Excher)	188.316 127.807	127.256	B4.2383	116.572	Leberron	(Leloanese E)	2446.85	1589.50	1094.54	1514.68	Spenish Ports in N Airico			-2395	
Caymen la	(C) &	1.2750	0.8262	0.5707	79 1132 0.7637	Liberia	(Markett)	5.2361	3.8550	2.6562	3,6758	(Sp Pausia)	196,316	122,256	24.2363	i i
art. Alr. Rep	(CFA Fr)	768,020	496.600	343.554	475,423	Libyo	(Liberton S) (Libyan Dinor)	1.5404	. 7	0.6890	0.9536	Sri Lantos (Pupes)	-			
Taged .	(CFA Pri	798.020	400.000	343.564	475,423	Linchtgrajai	n (Sweas Pr)	0.5476 1.8759	0.3655	0.2450	0.3390	Suder Pap (Diner)	82,6837 127,083	53,5850	36.9910	
	Chillers Peecl	634,701	412.050	283.918	392,898	Littuaria	(Utan)	6.1016	1.1789	0.8123	1,1,241	Surinam (Guilder)	631,564	82,5000	56.8456	
Jøre.	(Yuan)	12,9084	B,3162	5.7295	7.0267	Lourbourg		46.9949	4,0000 29,8600	2.7562	3 8141	Seezhand (Janzen)	5.9381	410,000 3,8550	282.505	1
principal principal	(Col Penal	1598.58 578.459	1097.80 375.525	716.083	989.550				C3/2000)	20.5747	28.4720	Sweden Ricronal	10.3515	6.7203	2.6582	
96 0	(CFA Fr)	758.020	496.600	258,751 343,564	358,089	Macay	Petacet	12,3021	7.0063	5,6029	7.6151	Switzerland (Fr)	1.8159	1.1788	4.6305 0.8123	
osta Filos	(Coloni	205.677	198,440	136,733	475.423 189.216	Macedonia Mediagram	(Denzi)	58.6893	38.1000	76,2523	38,3290	Tatween (C)	84,5429	41.9000	26.8707	
	(CFA Fr)	786,020	494,800	343,554	475,423	Madeky	(Post Forunda)	9084.58	3950.00	2721,70	3766.39		42,3327	27.4825	18.9365	
See d'Avoire Troutle	(Kanat	8.3049	5,3814	3.7148	5.1407	Maken	(Kwacha)	23,6296	150.835	103.931	743.924	Tenzania (Shillings Theliand (Sahi)	821,033	633.000	367.257	
ubs.	(Cuban Peso)	1,5404	1	0.6890	0.9535	Mizionala	(Firgai)		15.3400	10.5698	14,6269	Total U	38.8248	25.2050	17,3872	
yarva	(C)prus (i)	0.7117	0.4620	0.3183	0.4405	Makdan Is	(Pullys)	3.8341 18 1305	2.5540	1.7598	2.4353		768.020	498,600	343,554	
zech Pep.	(Constant)	41,5541	20,9770	18.5882	25.7230	Mail Rep	ICFA Fr	796.020	11.7700	8,1100	11.2239	Trinktad/Tobago (Pa'enge)	2.0358	1.3216	0.9105	,
	Dentes Krone)	8.6432	5,6112	3.8663	5.3504	Malta	(Mailteen Lica)	0.5485	498,600	343,554	475.423	Turnisin (Dinar)	6.8073	5.7175	3.9396	
Shout Rep	(DID PI)	246,454	160-000	110,246	152,509	Martingue	(Local Pr)	7.9802	0.3561 4.8850	0.2453	0.3385	Turfony Rims	1.4913	0.9617	0.6925	
ominica. ominican Fee	R Carb S	4.1391	2/1900	1.8604	2.5745	Markote	(Quouissi	211.497	137,300	3,4355	4.7542	Ung a Calcon 112 6	101509.1 1.5404	65900.p	45407.6	
constant sab	(D Peso)	21,1035 4560,35p	13,7000 2060.50	9,4398	13,0632 2822.98	Meuritic	Maur Plunger	28,6129	18.5750	12,7989	130,918 17,7116	Turkitu (Australian S)	2.0358	1.3215	0.6890	
regional .	(Sreal)	4436,750	2680.00	1984,43	2746.13	Mexico	(Marican Pract)	11,5757	7.5150	5.1781	7,1657			1.5215	0.9105	
and .	(Egyptian E)	6.2361	3.3685	2.3417	3,2406	Molder	(Local Fr)	7.88G2	4,9880	3.4355	4.7542	Ugando (New Shalling)	1557.34	1011.00	-	
gypt Selvador	(Coloni	13,4030	8.7900	5.0380	8.3528	Monaco	(1.80)	7.0319	4,5650	3.1455	4,3528	Ulcaine (Karbovanets)	290365.4	188500.0	696.617	
gust 1 Guinea	(CFA Ft)	796,020	488.600	343,554	475.428		(Franch (4)	7.6802	4,9860	3.4355	4,7542	UAF REL	5.8572	3.6727	129963.6	
SALE IN	(Kropen)	17.8518	11,6540	6.0300	11.1123	Mongolia Montserrat	(Tugrio	718.850	486,670	321.553	444.577	United Kingdom	1	0.6482	2.5306	1
trikinia Œ	Ethopian Sky)	8.6343	5,8000	3,9964	5.5304	Maragon	(E Carlo S) (Dirhean	4.1697	2.7000	7.B6Q4	2,5745	CANADO SEEDES (US \$)	1.5404	4	0.6290	
						Mocambious	(Net-call	13.1115	8.5118	5.8849	8.1101	Unaversity T - T - T - T - T - T - T - T - T - T	11.2603	7.3100	5.0960	
algard is	Felt 9	3	0.6492	0.4473	0.5160		(manufacture)	15250.0	200000	6621,47	9438.81	Marian (water)	174.714	113,425	78.1541	
MORE IN (D	Jamish Xvarej	8.6422	5,6112	3,8668	£.3504	Number	(S A Flance)	5.9301	9 0000				2404,10	1560.75	1075.42	100
i ts niand	(70.0)	2.1819	1,4165	0.9760	1.3506	Nayru ta	Wistolian S	2.0358	3.8550	2.6582	3,5758		448.1380	299,625	198.563	
	(1-faction)	0.9424	4,5071	3.1058	4.2976	Nepal (F	Spales Rupes	68.1879	1.3215	0.9106	1.2601	(ROSNE) (J)	692.913m	449.842	309,958	
T APP	(Fri)	7.0002	4,3660	3,4355	4.7542	Netherland	Guilden	2.5039	57.2500	39,4474	54,5988	Virgin la-British (US \$	16958.7	11012.5	7588.02	
r. Chy/Airtea	(CFA Fr)	766,020	498,000	343,554	475.A23	M'nd Antique	(A/Guilder)	2.7573	1.6256 1.7900	1.1201	1.5500	Virgin is-US 115 es	1.5404	1	0.6990	
. Quena	(Local Fr)	7.8902	4,9960	3.4365	4.7542	New Zealand		22775	1.7900	1.2334	1.7088	Andre in-Cig (TR2 2)	1.9404	1	0.6890	
	(CFP Fr)	140.232	91.0363	62,7274	86 8046	Niceregue	(Gold Cordoba)	12,4450	8.0796	1.0187	1.4097	Western Septon Platet		_		
. Padic is	(CFA FI)	798,020	496,600	343.554	475,423	Niger Rep	(CFA R)	788.020	498,600	5.5672	7.7040	U	3.8424	24944	1.7187	
nbon -		15.1730	2.2500	6.7870	9.3021	Nigaria	(Name)	33.88880	22.0000	343,654	475.423		215.856	140,000	95,4852	
imbir.	(Content				1.3838				لللالبعة	15.1588	20.9774		7.4028(2)	4.8058		
ebon Šmible. proviny	(D-Mark)	2,2355	1.4513				(74 min)	131,931m	AS COM					4.000		
imbir.		22355 2344,49	1622.00 0.6462	1046.72 0.4473	1451,25	Mornety Contro	(Nor. Krone) (Not Ornari)	131,931m 9.7621	65,6500 6,3376	59.0181 4.3668	51,5887 5.0430	Zamba (Kwacha)	1817.42	19900.0 1090.00	3.3112 13711.8	

10.63 de 19.

Seeli vale

The second secon

1 - A () - () () ()

or to expan

THE COURSE

144154

- Learner

15 M. W.

the Markhy Inst

th LBN sak

er andready

The Miles

The second second

No. of the second

10.00 · 12.1362

200

an carmako

CONTRACTOR OF THE SECOND SECON

・ はしゃく 特殊電差に

27 25 41.84

11 126 6 017

Paragraphic de la constanta de

1. • 174,040 (0°C)

jenies 1088

1000 A 1000 A

20 CA TANK

and the first

The Profession of the Professi

A SCHOOL STANSON AND A SCHOOL SCHOOL

· 子名斯拉斯

0.160.60

1946

- 人名西里

1000

The finance ministry turned down the offer by Banco Portugues de Investimento on the grounds that it was not envisaged within the government's privatisation plans for BFE.

Analysts said the decision was a clear message that the new centre-left government aimed to keep firm control of its extensive privatisation programme rather than let the market dictate terms.

But the government has opened itself to criticism for taking over a month to reach what amounts to a political decision, given that the legal and technical terms of BPI's bid were officially approved. BFE, Portugal's fifth-largest

banking group, is now to be privatised through competitive hidding for a controlling stake. This would better protect the interests of the state and minority shareholders, the finance ministry said. Mr Artur Santos Silva, BPI

bank would analyse the detailed terms for BFE's privatisation, which have not yet been made public, before deciding how to advance.

BPI, the sixth-largest Portu-

guese banking group, offered Es132bn for 100 per cent of BFE on January 19, raising its hid to Es152bn on February 19, It would have also paid accepting shareholders a 1995 dividend of up to Es90 a share. BPI's highest bid price of

been set. BFE shares closed at

tial buyers will be offered an indivisible block of 51 per cent of BFE directly owned by the The successful purchaser will also have to offer at least the same price for 19.5 per cent Es1,900 a share sets a benchof the bank that was privatised mark for the base price for the in 1994, and for 12 per cent privatisation, which has not owned by Clmpor, a state-controlled cement company.

In a second phase, the

Candidates for the control-

ling stake will be pre-selected by a jury. The holding will then be sold to the highest bid-

der from the short-list. Poten-

will be offered to employees and small savers at a fixed price. Any shares not sold will have to be bought by the pur-chaser of the main holding. Portugal is to set a maximum limit on the total assets

of any financial group seeking to acquire BFE. This gives the government the power to bar large foreign banks from the bidding as well as Portugal's dominant groups.

Some analysts say the gov-ernment should also fix a minimum asset size to prevent small banks acting as a front

North looks to long term after first-half downturn

North, the Melbourne-based resources group, reported a fall in after-tax profits from A\$51.9m to A\$32.3m (US\$24.4m) in the half-year to end-December, on revenues up from A\$457.1m to A\$480.1m.

Mr Campbell Anderson, maniging director, said that "at this point" he would expect the second half to be "a considerable improvement" on the first.

But, in its formal statement, North also warned that any profits growth over the next two years was likely to be mod-est due to "increased exploration and development programmes and higher financial charges relating to recent acquisitions offsetting any gains in sales and profits from existing businesses".

Longer-term, however, it said that shareholders could expect to benefit increasingly from new projects and investments.

Operating profits for the first half were little changed from the same period a year ago, with the group making A\$124.5m against A\$123.8m. But higher exploration costs of A\$26.6m against A\$20.3m. a small interest charge against a surplus last time, and an A\$8.9m abnormal item significantly reduced the bottom line.

Share price relative to the

1995 Solves: PT Estel

Brambles ahead

Brambles Industries, the Sydney-based transportation, equipment hire and waste disposal group, lifted net profits by 16.2 per cent to A\$102.5m (US\$77.6m) for the half-year to end December, writes Bethan Hutton in Sydney. Earnings per share rose by

15.1 per cent to 46.5 cents, and the interim dividend is up from 32 to 34 cents. The com-pany predicted a "solid increase" in full-year figures.

The abnormal charge related to the write-down to market value of the company's investment in Dominion, another

listed mining group, after North decided not proceed with an option to buy up to 80 per cent of the Yakabindie nickel project in Western Aus-tralia, which Dominion was

seeking to develop. North said it was still talking to Dominion, but that it had no confidence "one way or the other" of resurrecting the deal There had been no decision to sell the Dominion stake, but it was now held as a current

Of the group's core activities, profits from uranium and gold were sharply higher, on the back of higher sales and strengthening markets. The Warman equipment business also posted higher earnings. But iron ore was down, due to lower sales volumes and cost increases, as was forest prod ucts, mainly as a result of export licence restrictions.

The Swedish Zinkgruvan mine, which North acquired late last year, had no effect, with North accounting for the business for January 1. However, the company said that it was encouraged by the purchase, and that its desire to increase annual production from around 650,000 tonnes at present to 900,000 over the next three to four years had been

German investors nervous about prospects for Emu

By Andrew Fisher in Frankfurt

German private investors are increasingly nervous about the prospect of European monetary union and the disappearance of the D-Mark, leading many to avoid investments maturing after 1999, according to some bank advisers and economists.
Such fears contributed to last week's

low bidding for a DM10hn issue of fiveyear government notes, although traders mainly blamed the Bundesbank for mishandling the auction. The issue matures in November 2000; Emu is due

This factor [Emu anxieties] should not be under-estimated."

He said, however, that it was impossible to quantify the effect on investment attitudes of concern over Emu Much evidence was anecdotal, but should not be ignored by politicians ahead of Emu. "Any mistakes could lead to chaotic circumstances on the capital market."

and risk-averse. These are the people

who have built up considerable assets.

president, said yesterday the Es1,955 on Friday before the

Big institutional investors have mostly taken account of Emu in their to start on January 1 1999.

"This is a neuralgic time threshold," Westdeutsche Landesbank. "It is not a sai." Mr Adolf Rosenstock of Industrial topic any more for the professionals."

Bank of Japan's Frankfurt office. But Mr Rosenstock said private inves"Older people are especially cautious tors were cautious. "You can't easily remove mistrust about new money."

The D-Mark will be replaced by the euro when Emu begins, although the new currency will not be widely distributed until 2002. "Clients have become very sensitive about currency union," said Prince Alexander of Hessen, a Frankfurt-based investment adviser at Bayerische Vereinsbank. "They are wary of longer-term loans, though low interest rates also play a part."

"There is much uncertainty about how Emu will be introduced. Older people also remember the currency reform. They are wrong to compare the two, but it is a very emotional subject," he

added. In the 1948 reform, savers lost out under the terms of the Reichs-

mark's replacement by the D-Mark. With Emu, the fear is that the D-Mark will be succeeded by a weaker euro. Politicians and central bankers have stressed that the economic criteria for Rmu must be adhered to strictly, but this has raised the question of whether it can start on time, since even Germany now fails to meet all the criteria.

"Private investors are certainly wor ried about Emu," said Mr Jan Holthusen, bond analyst at DG Bank. "Many have drastically shortened the period over which they want to invest." He said Emn affected the attitudes of investors with up to DMim (\$689m).

Bre-X shares soar on Busang stake

ican mining shares, Bre-X Minerals has put on a terrific show. The Calgary-based exploration company, which is listed on the Alberta stock exchange, has rocketed from C\$1.90 a year ago to a peak of C\$170 last week. The shares closed at C\$150.25 last Friday, giving Bre-X a market capitalisation

The buying frenzy stems from Bre-X's 80 per cent stake in what appears to be a huse gold deposit at Busang, Indonesia. Busang is part of an extensive "gold beit" stretching across the island of Kalimantan that has attracted sevmining companies and a horde

of small exploration outfits. 'It's more than a gold discovery," says Mr John Hainey, analyst at Eagle & Partners in Toronto. "Even if Bre-X does noth g else, they're already in the category of senior gold pro-

Bre-X's shares have been given an extra push by speculation of a takeover bid. According to Mr Ron Coli, analyst at Deutsche Morgan Grenfell in Toronto, "this is the kind of project that the big companies need to get control

Possible predators include Newmont Mining, the US group, Vancouver-based Placer Dome, and Barrick Gold of Toronto. Earlier this year Barrick advanced US\$14.7m to another junior company to finance exploration on a parcel

of properties near Busang.

The big question now is just how rich the Busang deposit will turn out to be. Bre-X bought its initial stake in the property two years ago for a modest C\$100,000. Drilling results released last week delineated reserves of about 15m ounces. However, drilling has so far been limited to only a relatively small section in the south-east of the property.

"They could quite easily get 30m ounces, and it doesn't stop there," Mr Hainey says. "The wiside is still wide open." comparison, medium-

E charged standards of looks at a Canadian gold rush winner in Indonesia

sized North American producers have reserves of 5m to 10m. ounces. Barrick Gold, currently the biggest gold producer outside South Africa, estimates its total "proven and probable" reserves at 36.5m

Besides its size, the Busang deposit appears to have the advantages of being high-grade, close to the surface simple metallurgical extraction process. Production costs are

thus expected to be low.

Mr David Walsh, Bre-X's chief executive, predicts that a mine could be in operation by

Bre-X is 24 per cent owned by Bresea Resources, which is listed on the Montreal stock exchange, Mr Walsh, whose background is in investment management and mining finance, is a substantial shareholder in both companies.

re-X owes much of its B success, however, to Mr John Felderhof, a Canadian geologist who lives in Indonesia and is credited with having a hand in the discovery of Ok Tedi, the big copper and gold mine in Papua New Guinea. Mr Felderhof persuaded Mr Walsh to invest in Indonesia in 1993 on the grounds that metal prices were low and, in Mr Walsh's words,

"because no one was there".

Bre-X shareholders will be asked to approve a 10-for-1 share split at next month's annual meeting. Analysis estimate the shares are worth C\$200 or more, based on valuation criteria applied to large

North American producers. However, an investment in Bre-X does carry greater risks, including its reliance on a single project and the fact that Busang is still several years away from production.

Bad debt provisions hit Banco Bamerindus

By Angus Foster in São Paulo Banco Bamerindus, one of

banks, has amounced a sharp fall in profits following a big rise in bad debt provisions. Bamerindus, which was affected less than the results of the state of the affected last year by rumours about the health of several Brazilian banks, also saw its burrowing costs increase and a

steep fall in deposits.

Bamerindus said net profits
fell to R\$99.7m (US\$101.7m) in the year to December 31. com-pared with R\$136.3m in 1994. Earnings per 1,060 shares fell from R\$4.10 in the previous Period to R\$2.84.

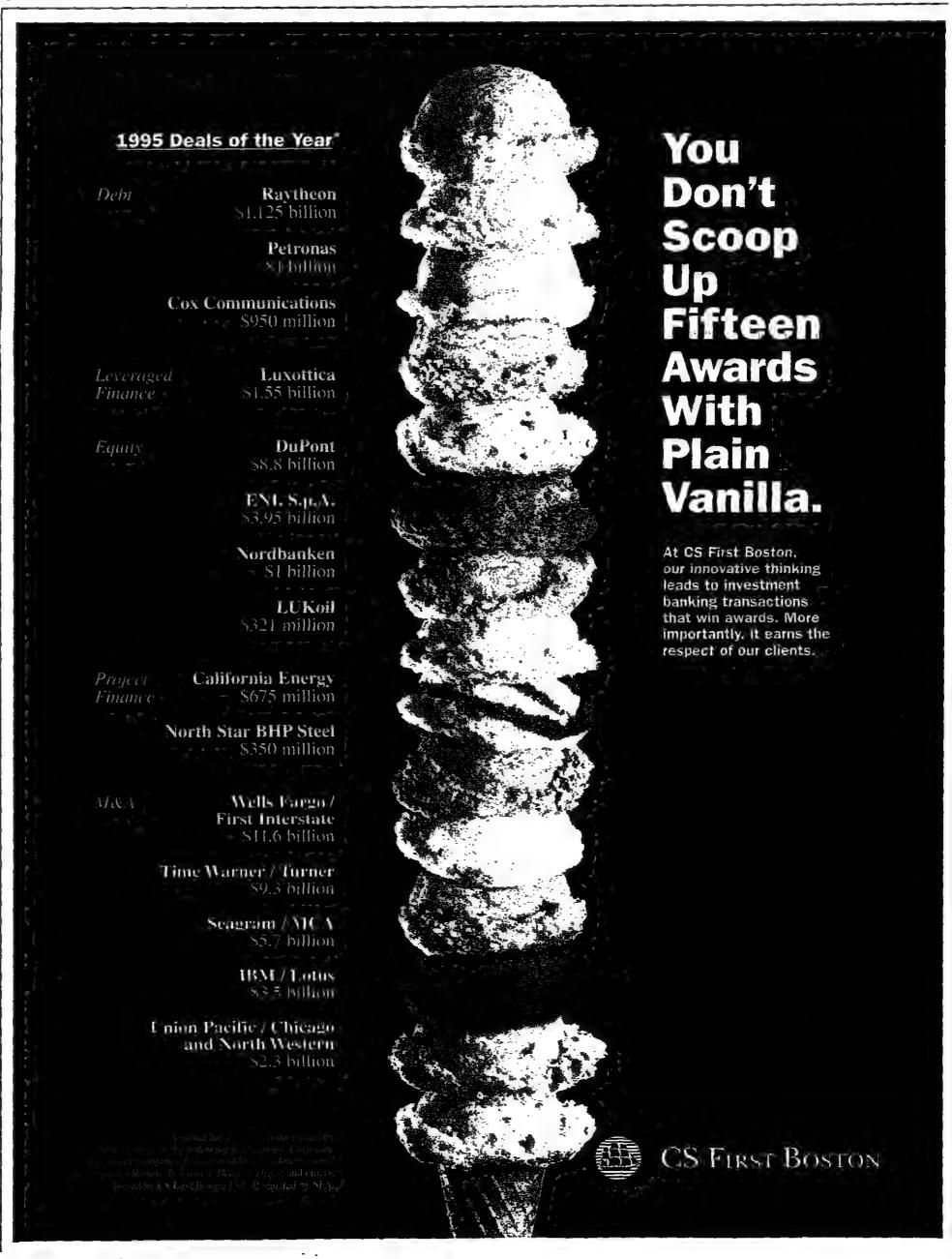
About two-thirds of Bamerin-dus profits came in the first half of the year, before Brazil's economy slowed and several banks hit a liquidity crisis. Bamerindus's provisions for Countful credits jumped from #4m to R\$402m, although one analyst said the bank's provisions were less cautious than some rivals.

Bamerindus said deposits fell from R\$9.05bn to R\$6.58bn. Several banks were hit by liquidity concerns during the year, prompting customers to shift to the country's biggest private sector banks.

Income from banking services, seen as an important source of profits now inflationrelated gains have fallen, rose more than 40 per cent to

Partly prompted by these liquidity concerns, Bamerindus sold its stakes in two of Bra-zil's largest steelmakers, CSN and Usiminas, and a petrochemical company. The bank said the sales raised R\$255.6m. said the sales raised razzoloth.
Inpacel, a troubled paper company controlled by the bank,
continued to lose money, the bank said.

Bamerindus reported a slight increase in net assets during the year. They rose 8.3 per cent to R\$1.34bn. The bank's return on net assets fell from more than 11 per cent to 7.5 per cent.





itself up, and in the next five trading days its stock rose 11 per cent. In November, healthcare group Baxter International said the same, and its stock rose 9 per cent. Next came business services company Dun & Bradstreet, which then rose 2 per cent; and most recently the UK conglomerate Hanson, which fell 5 per cent.

Here is an investment fad being worked to death. In a rising market, such fads proliferate. A company does some-thing unexpected, and its stock rises. Other chief executives and their financial advisers take note and follow suit. Eventually investors turn away in boredom, and the game moves on.

Some of these fads are frothy and fairly harmless, such as the vogue for Internet stocks. Cybercash, a software company which has yet to record any sales, let alone profits, went public two weeks ago and is now worth over \$500m. Some are more deep-seated, and could prove correspondingly

Proponents of demerger might argue that Dun & BradGlobal Investor / Tony Jackson

Behind the fads lurk real-world issues

street and Hanson are not fair examples. Dun & Bradstreei's break-up plan appears to involve a dividend cut, and Hanson's raises tax problems.

But that is just the point. It is a fair bet that neither deal would have been proposed had it not been for the uncritical reception of previous demergers. The AT&T break-up, being the biggest, may have marked the high water mark of this particular vogue. Its real value to shareholders remains a matter for debate.

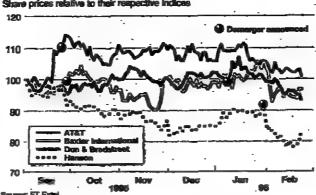
Last week, General Electric, America's biggest company by market value and an unabashed conglomerate, devoted space in its annual report to explaining just why it has no intention of demerging. Mr Jack Welch, GE's chairman, told shareholders that GE has gone to immense pains to create a small company culture, so demerger would be redundant. "We are a company intent on getting bigger, not smaller." be wrote. "[Our] only

answer to the trendy question

- 'what do you intend to spin

off?" - is 'cash, and lots of it'."

Price of breaking up



It is also worth noting that GE's employment rose fractionally last year, from 221,000 to 222,000. The company was reviled for shedding jobs a dozen years ago. It now appears to be bucking the

This brings us to the biggest Wall Street fad of all. There is no question that job-shedding is partly a matter of investment fashion. Granted, it is underpinned by a fundamental trend: almost all the big old US corporations are steadily employing less labour. But dramatic announcements of job cuts are something the dimmest investor can comprehend.

As a result, companies which make no such announcements are on the defensive. Mr George Fisher, chairman of Kodak, has said firmly that he is not about to slash jobs, since

his medecessors cut so much that the corporate culture cannot stand any more. In a different climate, the point might seem eminently sensible. As it is, Wall Street disapproves.

Total return is local currency to 22/2/96

Again, the high water mark of this vogue might turn out to be AT&T. Its recent announcement of 40,000 job losses has become a real political issue. A mug-shot of Mr Bob Allen, AT&T's chairman, appears on

Scott Paper. "Corporate Killers", the cover shouts, "Wall Street Loves Layoffs. But the Public Is Scared as Hell." Mr Pat Buchanan, the presi-dential candidate, has used job cuts as a stick to beat big busi-

magazine, along with such luminaries as Mr Al Duniap of

ness. His rival Mr Bob Dole has been obliged to follow suit, musing in recent speeches on

why record corporate profits should coincide with record job losses. Even the Wall Street Journal carried an article highly critical of Mr Allen on its front page last week.

The irony is that AT&T is the wrong target. Throughout the phone industry, technology is steadily replacing labour. British Telecom, a company with a quarter of AT&T's revenues, got rid of 19,000 employees on a single day in 1992. In the US, the process is being accelerated by the advent of deregulation. AT&T's rivals will doubtless follow suit.

But if telecoms are a special case, manufacturing industry is not. There is a real risk that some manufacturers, egged on by Wall Street, are cutting jobs too far and will pay the price in the upturn.

This thesis - so-called "hollowing out" - is ridiculed by many industrialists, including Mr Welch of GE. US manufacturers, they argue, have discovered the philosopher's stone of productivity. They can go on turning out more goods with fewer people for ever.

Perhaps. But the argument would be more persuasive is management were not being offered an extra recentive for job cuts in the form of rising stock prices and consequent bonuses. In such an atmosphere, it would be surprising if excesses did not occur and the economic upturn, after all has yet to arrive....

There is also a risk of political backlash. If would not do to take Mr Buchanan's polemics too seriously. But two Dem ocratic senators, Messis Daschle and Bingaman, are shortly to propose but breaks for so-called responsible corporations. To qualify, companies would have to sign agreements to curb job losses, spend a given amount on employee training and hire half theh new staff within the US.-

At the extreme, a backlash could also take the form of higher top tax rates on salaries and investment income. This would be a satisfying item of populist revenge against the executives who have slashed jobs while raising their pay.

These issues, of course, m deeper than mere stock market behaviour. But if investors give an uncritical welcome to job cuts - and companies announce them with far accordingly - it serves to make a bad situation worse. Wall Street in short, can have real world consequences.

Zinc trade under a shadow

Persistent excessive stock levels in the world zinc market are likely to cast a shadow over the American Zinc Association's five-day annual international conference, which began in Palm Springs yesterday. London Metal Exchange

warehouse stocks of zinc have nearly halved from the level reached late in 1994 and are continuing to fall, but levels will still be sufficient to cap major price rallies in the first half of this year, industry observers told the Reuters news agency last week.

"The stock accumulation from 1992 to 1994 was such that it has left a huge overhang. said Angus MacMillan of Billiton Metals. "The draw-down will not be sufficient this year to support much of an upward move in prices."

"I think prices will be on a gradual upward path, but it won't be dramatic because of stock levels," said another ana-

"The picture is not all bad, and I think most producers would agree." said an executive at a leading European producer. "There are a lot of long term contracts on the books, although spot business has been a bit difficult in the past

At the conference, entitled "The Health of Zinc", delegates will hear papers by producers, consumers, banks and ana-Also beginning yesterday was the four-day US National

Eastern Mining Conference in Other events this week include the French National

Farm Fair, which starts in

Paris today and concludes on Sunday. Today also sees the launch in Johannesburg by the South African Futures Exchange (Safex) of white and yellow maize futures.

Tomorrow, New York will be the venue for the first launch of CPM's silver survey and gold market briefing, which will be repeated in Mexico on Thursday, in London on March and in Australia on March 14. In Pretoria on Friday the

two-day South African Government Mineral Policy Workshop will begin.

investment Bank

Nollan Lire 200,000,000,000

Coupan no. 13 due from 23.2.1996 to

23.8.1996 will be payable from 23.8.1996 at the rate of 10,00% p.a.

an International Bank PLC Landon

Reference Agent Bank

Date 21.2.1996

III. 252,778 Fer III. 5,000,000 nominal III. 2,527,779 Fer III. 50,000,000 name

(E)

BANK OF GREECE

(with an initial tranche of US\$150,000,000)

Floating rate notes 1998

The notes will bear interest at 6.0625% per annum for the period 26 February 1996 to 28 May 1996. Interest payable on

28 May 1996 per US\$1,000,000

Agent: Morgan Guaranty Trust Company

JPMorgan

US\$200,000,000

Company news

Abbey National final expected to be generous

Abbey National reports 1995 annual results today. After a particularly strong second half the home loans and banking group is forecast to make pre-tax profits of £1bn-£1.04bn, up from £262m last time. The solid increase should stem from a decline in bad debts and steady growth in pre-provision profits. The group is expected to unveil a handsome dividend. A final payout of about 22p would represent a 24 per cent rise on 1994.

 UK banks: The main British banks end their reporting season this week, beginning with HSBC Holdings today. Estimates for pre-tax profits range from 23.45bn to 23.55bn, up from 23.17bn in 1994. Much of the buoyancy comes from HSBC's Asian operations, including Hongkong and Shanghai Banking and Hang Seng Bank, HSBC's UK subsidiary, Midland Bank, is likely to have provided for some of its estimated £300m exposure to Eurotunnel. Attention will focus on

Barclays will be the last of the English high street banks to report. Most analysts predict it to report tomorrow an advance from last year's £1.86bn to about £2.1bn. But operating profits are expected to remain relatively flat, and some forecasts project a pre-tax profits decline. The company may also announce plans for a

share buy-back. Standard Chartered's pre-tax profits on Wednesday are expected, to advance by 25 per cent or more from 1994's £510m, with a hefty dividend increase predicted. Although many banks eye Standard Chartered's Asia-Pacific franchise enviously, its share price has proved expensive enough to deter bidders.

■ General Accident: May be the first composite insurer this reporting season to report a fall in profits as the downturn in the UK insurance cycle, and bad weather, take effect. The Perth-based group is expected to report tomorrow that 1995 operating profits slipped from the previous year's restated £434m. Royal insurance said last week December's freeze cost it £40m and the impact on GA is expected to have been similar.

Clearing banks



■ George Wimpey: The building company will unveil disappointing results tomorrow. It has warned that its pre-tax profits for 1995 will be no lower than £15.5m, against £45.1m. Flat construction and housing markets, and restructuring costs, are to

However, Wimpey has swapped its quarries and contracting businesses for Tarmac's house building division, and analysis expect the new focus on Wimpey's traditional strengths to lift the company in 1996. Also, January figures suggest the housing market may be

group is expected to report pre-exceptional full-year profits of £110m on Wednesday, After restructuring charges and losses on disposal, however, analysts expect it to incur a pre-tax loss of about £48m, against profits of £181m previously.

Associated British Ports: The privatised ports operator is expected to announce growth of 11 per cent in 1995

profits on Wednesday.

Analysts have pencilled in a full-year figure of about £39m, compared with the previous year's £80.3m. Earnings per share of 17.8p (16.4p) are forecast. The core port operations, particularly at Southampton and the Humber, are thought to have been the driving force behind the growth in

■ Willis Corroon: The insurance broker is expected on Thursday to report pre-tax profits of about £30m for 1995. Willis took a £49m exceptional charge for reorganisation in 1994 and the latest figures should restore profits to roughly

Mokle Share orice relative to the Hex General Index 160 -:130 -

■ Nokia: Investors will be watching anxiously when the Finnish mobile phones group publishes its 1995 results on Wednesday. The star of the Helsinki bourse for the past three years has warned of setbacks in the last part of the

Analysts are expecting profits in the last four months to have fallen from FM1.7bn in 1994 to FM1.5bn (£326m). profits Full-year profits are expected to be shead by a respectable 28 per cent at FM5.1bn - but that is well below the FM5.9bn which the market had been expecting before the company's warnies

■ British Aerospace: Will report full-year 2330m on Thursday, up from £166m in 1994, underlining the continuing recovery in the company's fortunes. Exceptional interest charges on aircraft leases are likely to cut the total by about £25m and there will also be a £26m write-off for the company's investment in the Burwood House property venture with Asda.

Restructuring of BAe's turbo-prop aircraft business is also likely to cost £40m, bringing the final pre-tax profit down to about £229m. Dividends for the year are likely to be 12.5p, up from 10p.

■ Lasmo: One of the UK's biggest independent explorers and the subject of recent takeover speculation, reports on Thursday. Broker BZW expects net income of £34m, against £3m loss in 1994.

■ Gencor: The widespread restructuring at the South African mining and industrial group, will come under the spotlight when interim results are posted

tomorrow. The Sanlam controlled group has disposed of marginal gold mines and expanded its share of the metals and related commodities industry.

Commonwealth Bank Australia

Commonwealth Bank of Australia A.C.N. 123 123 124

U.S. \$7,000,000

Undated Floating Rate Notes exchangeable into Dated Floating Rate Notes

and U.S. \$217,000,000

Floating Rate Dated Notes due February 1999 exchangeable into Undated Floating Rate Notes and

U.S. \$176,000,000

Floating Rate Dated Notes due February 2000 exchangeable into Undated Floating Rate Notes

Interest Rate **Undated Notes**

Dured Notes

5.2475% per annum (LIBOR 5.1875% + 0.06%) 5.125% per annum 26th February 1996 to but excluding

Interest Period

27th August 1996 Interest Amount due Undated Notes

per U.S. \$ 10,000 Note U.S. \$ 266.76 per U.S. \$250,000 Note U.S. \$6,668.70

Dated Notes per U.S. \$ 10,000 Note U.S. \$ 260.52 per U.S. \$250,000 Note U.S. \$6,513.02

CS FIRST BOSTON

PUTNAM HIGH INCOME

11, rue Akiringen, L-1118 Luxembourg R.C. Luxembourg N° B 22.041

GNMA FUND S.A.

MOTICE OF MEETING Notice is hereby given that the Annual General Meeting of Shareholders will be held at the registered office of the Company on 13 March 1996 at 11.00 a.m. with the following agenda:

ACCENDA Presentation of the reports of the Board of Directors and of the Auditor.
 Approval of the balance sheet and profit and lose accrual as of 30 November 1995.

November 1995.

3. Discharge of the Directors for the fiscal period ended 30 November 1995.

4. Re-election of Meaars John R. VERANI, Takerliko WATANABE, Thomas M. TURPIN, John C. TALANIAN, Steven SPIEGEL Affred F. BRAUSCH and Jean-Paul THOMAS as Directors for the ensuing year.

5. Recommendation to the Annual General Meeting to approve the declaration of a children of U.S. Dollar 0.29 per share. If approved, the dividend will be paid on 22 March 1996 to shareholders on record 13 March 1996, ex-dividend on 14 March 1996.

Any other business which may be properly brought before the

The shareholders are advised that no quarum is required for the items of the agends and that the decisions will be taken at the simple majority of the shares present or represented at the Meeting Each share is entitled to one vote. A shareholder may act at any Meeting by proxy. By order of the Board of Directors

KIR KNIGHT-RIDDER'S FUTURES MARKET DATAKIT FROM \$570 O A hit year of HMAL MARKETS Enf-of-Day quote nervice
O Siff lines Sardon
O DIVERSE 10 yes of duby segrent interpa data on
O DIVERSE 10 yes of duby segrent interpa data on
O DIVERSE 10 yes of duby segrent interpa data on ation: Mrs Birestier Valeti, 78 Fleet Street, Locatem ECAY 1HY, Tet. +44 (0) 171 842 4865



US\$300,000,000 Floating rate notes due 1999

The notes will bear interest at 5.61953% per annum for the interest period from 26 February 1996 to 28 May 1996. Interest payable on 28 May 1996 will amount to US\$143.61 per

Agent: Morgan Guaranty Trust Company

JPMorgan

Interfinance Crédit

National N.V. US\$100,000,000 Guaranteed floating rate

undated unsecured subordinated non-cumulative capital notes

in accordance with the terms and conditions of the notes the rate of interest for the interest period 26 February 1996 to 27 August 1996 has been fixed at 8.437508438% per annum. Interest payable on 27 August 1996 will be US\$42,890.67 on each US\$1,000,000 principal

Agent: Morgan Guaranty Trust Company

JPMorgan



ABN AMRO BANK N.V.

US Dollars 150,000,000 Subordinated Floating Rate Notes 1992 dos 2002

The interest payable on February 26, 1996 against Coupon No. 7 in respect of US\$ 100,000 nominal of the Notes will be US\$ 3,029,36 instead of US\$ 3,029,63,

44 + 171 608 6101

ABN AMRO BANK N.V.

Get real-time quotes, Forex rates and news headlines on your PC with Signal! For more information call

SEND US YOUR OWN PAPERCLIP

And while you are at it, please attach your cheque too fund more Macmillan Nurses in the fight against cancer. Did you know over one milbon people are living with it?)

made out to 'CRMF (F7)' Send to: CRIMF FREEPOST LONDON SW3 3BM

Macmillan Cancer Relief Macmillan Fund

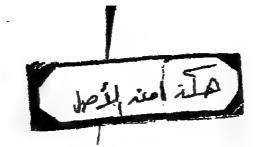
cuists to support people with Regd. Charity No. 261017

FT/S&P ACTUARIES WORLD INDICES

The FT/S&P Actuaries World Indices are comed by FT-SE International Limited, Goldman, Seche & Co. and Standard & Poor's. The Indices are compiled by FT-SE International Committee and Goldman Seche in conjunction with the Faculty of Actuaries and the Institute of Actuaries. NatWest Securities Ltd. was a co-founder of the Indices. THURSDAY PERHUARY 25 1986

		Figures in parentheses	US	%chg	Pound			Local	Local %	Gross	LIS		PERMA	RY 22 19		DO	LLAR IN	XEX
		show number of lines	Dollar	SINCE	Starling	Yen	DM		chg from	Div.	Dollar	Pound Sterling		-	Local			Year
_	13	of stock	index	29/12/95	Index.	Index	Index		29/12/95	Ylekt	index		Yen	DM	Currency	52 week	52 week	ago
Ĩ	-10	Australia (81)	100.00	7.0	400.00					T FORG	KRIEK	index	Index	Index	Index	High	Low	(арргоз)
1	1.7	Austria (28)	190.22	3.3	189.96	130.06	148.05	17247	1,5	3.88	194,65	187.01	129.22	146.90	171 75			
П	-16	Belgium (34)	108.07	8.7	182.56	125.74	143,11	142.98	10.2	1.51	188.55	179.22	123.84	140.78	171.76	200.32	158.79	
i.		Grazil (28)		1.0	203.35	140.06	159.41	155.57	2.5	3.39	208.49		138.41	157.34	140.65	199.28	168.11	781.75
t.	1.3			19.4	159.56	109,21	124.30	297.75	20.7	1.55	163.24	156.83	108.37	123.19	153.63	215.81	172.86	173.23
П	13	Donmork RS	_154.51	41	148.71	102.43	116.58	154.08	5.1	244	155.35	149.25	103.13		295.04	170_25	86.06	126.43
Į.	43	Denmerk (33)	-304.21	53	292.80	201.87	229.53	232_16	6.7	1.82	301.92		200.43	117.24	154.72	158.71	125.64	128.61
Ł	ш	Finland (24)	-187.99	0.5	180.94	124.82	141.84	. 177.82	4.3	1.80	183.76		121.96	227,85	230.55	304.88	252.41	259.80
1	1.3	France (98)	189.17	5.4	182.07	125.40	142.73	147.95	7.5	3.14	186.25	17B.94		138.68	173.89	276.11	171.13	183.34
П	13	Germany (80)	_173.35	5.9	186.85	114.82	130.80	130.80	7.4	1.85	171.23	164.51	123,64	140.56	148.01	191.17	161.53	165.86
L	3 :	Hong Kong (59)	_443.D6	14.3	426.44	293.71	334.29	439.B4	14.3	3.22	440.70	423.39	113.67	129.23	129.23	173.35	142.25	150.38
L		reland (16)		1.7	250.10	172.26	196.05	230.59	2.7	3.43	257.02		282.55	332.58	437.54	451.19	323.67	324,04
1	11	taly (59)		1.5	71.98	49,58	56.43	87.17	-0.2	1.71		248.92	170.62	183.97	228.01	262.70	205.44	21527
١.	13		_150.73	-2.7	145.07	99.92	113.73	99.92	-1.1	0.76	73.14	70.28	48,55	55.19	85.73	82.71	65,45	74 74
Ł	113	Maksysia (107)	525.27	8.3	505,57	348.21	396,32	516.67	8.9		751.01	145.08	100,25	113.97	100.25	164.82	138.95	143,49
Н	11	Merico (18)	1148.97	10.9	1105.88	781.68	866.91	9440.54	8.2	1.82	525.58	504.93	348.90	396.63	518.67	561.96	425.77	473.33
U		Netherland (19)	282 13	3.5	271.55	187.03	212.87	209.33		1.47	1142,41	1097.53	758.38	862.14	9421.50	1237.14	647.81	889.48
J.	11	New Zeeland (13)	81.23	2.0	78.18	53.85	61.29	63.77	4.9	3.20	280.12	269.11	185.95	211.39	207.88			227.30
1	- ()	Morwey (33)	.242.89	5.0	233.78	181.02	183.26		-1.4	4.57	79.75	76.61	52.94	60.18	62.75	283.23	225.09	72.92
	1.5	Singapore (44)	A\$5.05	12.0	438.95	302.33		208.94	5.8	2.19	241.86	232.35	160.55	182.52		85.49	72.39	
Ł	1 8	South Africa (45)	307.52	3.2	382.61	283.53	344.10	296.01	11.5	1.36	458.24	438.32	302.87	344.31	208.24	243.79	202.76	211.14
ŧ.	1.8	Spain (37)	175 13	6.0	168.56		299.84	334.95	9.1	3.56	392.76	377.33	280.73		295.78	465.21	346.10	346.36
	13	Sweden (47)	338 14	8.3	325.48	116.10	132.14	162.20	5.8	3.70	175.20	168.32	116.91	296.40	333.94	437.76	303,31	307.23
	1 8	Switzerland (39)	230 95	-2.1		224,18	255.13	236.40	9.9	2,11	331,55	318.53		132.22	162.37	175.20	124.10	133.67
i .			184.22	95	222.28	153.10	174.25	168.79	0.3	1.58	227.95	219.00	220.10	250.21	331.13	338.14	232.23	245.02
ŀ		Inited Kingdom (205)	970 07	0.9	177.31	122.12	138.99	180.21	9.5	1.97	185.90	178.59	151.32	172.03	167.11	239.55	171.70	172.28
١.			289.08		223,34	154.24	175.55	223.94	1.7	4.D4	233.01		123.41	140.29	181,94	193.95	130.15	146.17
Į.			- T0310	7.1	258L97	178.37	203.01	269.06	7.1	2.15	268.82	223.85	154.68	175.84	223.85	235.50	192.74	196.69
1	1 4	Americas (778)	245.29	7.1	236.09	162.61	400.00				200.62	258.25	178.45	202.87	268.82	269.11	.197.20	199.36
į.	Ιŧ	Элгаре (730)	206.25	27	198.51	136.73	185.07	206.22	7.1	2.15	245.09	235,48	162,70	-04-00		-74.11		
ı	I N	(ordic (13?)	293.45	6.4	382.44	194.54	155.62	176.53	3.9	2.99	204.65	196.61	135.86	184.96	206.05	245.54	180.00	182.67
ı	l F	Pacific Basin (832)	164.28	-0.6	158.12		221,41	252.48	0.6	2.00	288.72	277.38		154.44	175.25	206.25	189.63	172.87
ı		uro-Pacific (1562)		0.9	174.85	108.91	123,95	112.14	0.7	1.18	184.40	157.94	191.67	217.89	249.04	295,02	222.22	232.94
	1 5	iorth America (732)	282 64	7.0		120,43	137.07	135.55	22	2.04	181.07		109.14	124.07	112.37	171.87	145.95	151.58
	1 6	arope Ex. UK (525)	197 (7)		252.18	173.89	197.89	261,40	7.0	2.16		173.95	120,20	136.65	138.22	183.39	156.37	160,35
ı	15	Pacific Ex. Japan (350)	200 14	3.7	180.05	124.01	141.14	149.87	5.1	2.41	261.82	251.54	173,81	197.59	261,20	262.26	192.77	194.97
1	15	World Ex. US (1754)	907.41	9.3	276.26	191.86	218.13	253.52	8.7	2.90	184.67	177,41	122.59	139.38	148.20	187.07	152.92	158.05
•	13	World Ex. UK (2180)	193.12	1.2	178.25	121,39	138.16	140.86	2,5	2.07	287.89	276.58	191.11	217.26	252.67	292.89		231,06
	13	World Ex. Japan (1903)	ZVI AV	4.0	199.88	137.53	156.53	173.10	4.8		182.51	175.34	121.16	137.73	140.53		229.25	
	13	ACUST CIT ORDER! (1902)	242.17	5.7	233.08	160.54	782.72	227.45	5.2	1.91	206.92	198,79	137.36	156.15		184.71	156.72	160.69
	1 T	he World Index (2385)	308.72	3.7	201 AC	400.0			9,2	2.50	241.32	231,84	160.20	182.11	172.78	207.64	166.82	169.93
	1 4				201.68	139.03	158.24	177.74	4.5	2.10	209.25			-02.11	226.73	242.17	187.55	180.23
	C	Spyright, FT-SE, International (ad-	., Goldma	n, Secks &	Co. and Sto	anderd & P	22°R 1994	All date			CUB-Z3	201.03	135.91	157,91	177.44	209.73	169.20	15

...



EQUITY MARKETS: This Week

Delayed data could ease uncertainty

NEW YORK

The second secon

And the second of the second o

The same

370

18 54 18 18

THE B

一个 经工程

- 1- 1 (12d)

200 pg

The state of 5

5 50 M 2 CE

10 - 10 to 1

- - 5 Person

20 125<u>82</u>

15 - F27/2

5 1 - CEN 100

1. Page 19 77 4

111/1/19

1.50

Section of the second

The second

1

Land to the second seco

- 14 mg

eu: g

- 20 top

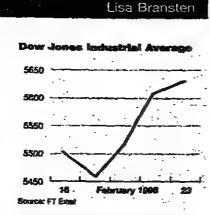
XIII I

For a week in which the Dow Jones industrial Average soared by nearly 200 points, last week was certainly a scary one. The Dow opened the holiday-shortened week with a 45-point loss and then gyrated through the remaining three sessions as investors assessed and reassessed their outlook on the economy and interest rates.

This week's wave of economic data should go some way toward eliminating the economic uncertainty that exists, in , part because the government is still struggling to catch up with figures that were not released during the recent shutdown.

Among the most important figures will be tomorrow's data on retail sales. A lingering question for the market is whether consumer spending can rise fast enough to give a boost to the aluggish economy.

Economists, for the most part, are betting that consumers were not active



enough in January to spark the economy. The mean estimate has retail sales falling by 0.3 per cent, while analysts are looking for flat sales,

excluding volatile car components Economists are looking for a 0.4 per cent rise in the producer price index and a 0.3 per cent gain in the consumer price index

Although such relative strength could be worrisome in the increasingly bearish environment of the bond market, stocks may well be able to shrug off declines in the bond market as they did for much of last week.

LONDON Caution likely ahead of Scott debate result The Scott report debate today promise

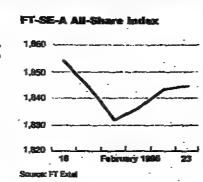
a nervous start to the week for the market. While traders expect the government to survive the furore, the latest political defection will make investors cautious about committing money before the result is known. Politics aside, the main domestic focus will be on the results season. Last week's slew of figures did not contain

plenty to analyse this week. Numbers are due from Abbey National, Associated British Ports, Barclays, BICC, British Aerospace, General Accident, HSBC Holdings, Lasmo, and Standard Chartered. Sluggish world-wide economic growth is expected to have resulted in a slower pace of earnings growth for much of the

any nasty surprises but there will be

But given the volatility that has characterised international financial markets recently - notably Tuesday's

UK corporate sector.



Philip Coogan

two-point fall in US Treasuries and Thursday's 90 point rise in the Dow Jones Industrial Average - domestic developments may well prove secondary to events elsewhere.

A wave of liquidity is sloshing round the world in the wake of interest rate cuts in the US and Europe and very low rates in Japan, and the result has been some sharp market movements.

London, perhaps because of political and earnings worries, has yet to be the beneficiary of the flow this year - but could be a casualty of other markets'

OTHER MARKETS

FRANKFURT

With last week's weakness in bonds reversed by lower than expected money supply growth figures, and strength in equities surfing on Wall Street's performance, next

week will be an intriguing one or German equity strategists.
The Bundesbank meets on Thursday, Last Friday, an M3 expansion growth rate of 8.4 per cent against some fears of between 15 and 20 per cent had pundits saving the Buba had its options wide open so far as further interest rate cuts were

concurred. However, the other side of the inflation coin, CPI figures from the German lander, could affect the issue in the early

days of this week Meanwhile, SAP, the computer software group whose preference shares put up a phenomenal performance in 1994 and 1995, will face a New York analysis' symposium today and

Ms Jadwiga Bobrowska, an analyst at Merck Finck in Düsseldorf, expects little in the way of news here; but the company raised its dividend by 50 per cent just over a week ago and this, she says, was a positive signal for the future.

AMSTERDAM

The Dutch market will be faced with corporate results from a mix of cyclical and financial stocks this week. with the chemical groups Akzo Nobel and DSM, and ABN Amro Bank all scheduled to release 1995 profit figures,

writes Ronald van de Krol.
DSM, which has said already that 1995 profits roughly doubled, soared last week on news that the government planned to sell two-thirds of its 31 per cent stake to Dutch banks and insurers in the form of cumulative preference

transaction is designed to boost profit per share available to the existing holders of ordinary shares, and this caused DSM shares to rise by Fl 10 from Tuesday's close, to around Fl 155.00 on Friday. The results, due on Thursday, are not expected to bring further sharp share price gains.

Financial stocks like ABN Amro have benefited from the steady downward trend in interest rates, but this may be coming to an end.

in Amsterdam says financial stocks should be given only limited space in an investment portfolio in 1996.

The structure of this planned

Theodoor Gilissen Bankiers

Instead of recommending either cyclicals or financials to long-term investors, it favours steady growth stocks such as

Ahold, Elsevier, Heineken, Nutricia, Unilever and Wolters PARIS

French equities closed last week in positive territory largely as a result of the US market's strength, writes John Pitt. But there were fears in some quarters that the government's announcement of a shake-up in the defence sector would exert a negative

influence in the coming weeks. While the strategy to dispose of Thomson SA in one lot, either through privatisation or, more likely, through the sale to an industrial partner, has found critics already, the wider implications extend to job losses throughout the defence industry, in an environment already shouldering a high unemployment rate.

On the corporate front, this week sees another busy results timetable, with figures due from Legrand today, Ciments Français tomorrow and Paribas on Wednesday. In addition, economic data likely to impact on equitles include household

-consumption figures and

January unemployment, which TOKYO most analysts expect to show

an increase month-on-month.

Investors will focus today on

to set the tone for trading,

Expectations for earnings

robust performance put in by

Bank of East Asia, the colony's

third biggest listed bank, and if this is followed through in

today's results it could prove a

The reporting season is well

earnings are likely to influence

bigger boost to the sector.

under way, and corporate

throughout. Also reporting

and Shanghai Hotels and

Hongkong and China Gas.

from US Federal Reserve

helped drive share prices

higher earlier in the month.

final results will be Hongkong

Overall, corporate earnings

15 per cent. Elsewhere, the outlook for lower interest rates

has been clouded by comments

chairman Mr Alan Greenspan.

enerally feed through to Hong

Kong via the currency peg, and speculation of a reduction had

Cuts in US interest rates

are expected to grow by some

market performance

have been enhanced by the

urites Louise Lucas.

HONG KONG

A seven-day losing streak for the Nikkei average, the longest consecutive string of losing sessions since January 1995, had wiped nearly 650 points off results from the colony's two the barometer index by the end biggest banking groups, HSBC of last week, giving a sobering Holdings and Hang Seng Bank, reminder of the chronic weakness of investor confidence in the Tokyo

> market, writes Guen Robii Wall Street's rally last Thursday, together with signals from the US authorities of continuing easy monetary policy, failed to shake Tokyo's inertia.

On the contrary, domestic institutional investors - banks, in particular - continued dumping shares while foreign buying remained thin. All eyes now are on the

nublic fund managers, who have stayed conspicuously on the sidelines or in selling

What they do, if the market continues to slide, will tell other participants whether the government is making good on hints dropped last week by Tokyo stock exchange officials: that it will intervene to prevent the Nikkei averag slipping back below the 20,000

Compiled by William Cockrane

International offerings

Sense of urgency sparks a build-up of issuance

A sense of urgency has crept into the primary equity market. After a slow start to 1996 the only notable offering in January was the sale of more stock in the oil and gas company Repsol by the Spanish government - a mountain of issuance has built up.

As in 1995, virtually every covernment in Europe, including Scandinavia, is seeking to privatise state-owned assets, ncluding those withdrawn last year because of a lack of demand. For example, Austria is trying again to sell stock in specialty steel producer Boher-Uddeholm.

Supply from the corporate sector is also buoyant, with offerings expected from Orange, the UK mobile phone company, Scania, Sweden's beavy truck manufacturer, and Grupo Sol, the Spanish hotels

Salomon Brothers estimates that primary equity issuance in Europe could reach \$6bn in the first quarter, \$20bn in the second. \$25bn in the third and \$30bn in the final quarter, assuming Deutsche Telecom's initial public offering happens as planned in November. However, political factors.

particularly in Italy, and investor indigestion could result in lower volumes than forecast, Bankers are encouraging

highly sensitive to the health

of the 77 year-old president. In

a sense, traditional concerns

over political risk have been

superseded by worries over

what could more accurately be

termed personality risk. Although Mr Mandela's col-

leagues in the African National

Congress-dominated cabinet,

including his most likely suc-

cessor, deputy-president Thabo

Mbeki, share his commitment to fiscal discipline they have

yet to win the confidence of

Battered traders seeking to

restore their confidence will

take their cue from gold in the

weeks ahead. Last week, the

early stages of the rand's col-

lapse were compounded by an

end to a spate of speculative

gold trading as bullion slipped below the benchmark \$400 an ounce level. The weaker rand

has renewed support for the

metal, in anticipation of

increased demand from foreign

Analysts cited the improved

earnings of the Mexican gold sector in the wake of the 1994

peso devaluation as grounds

for bullishness. "The good

news is tempered only by the

tendency of South African

mines to commit in the for-

ward sales market," said one

analyst. "It takes a bit of the

international investors.

potential issuers of equity to come to the market sooner rather than later to take advantage of the liquidity.

There is evidence that US investors are again looking at European and emerging markets after concentrating on their domestic market for most of 1995. US mutual fund industry data show that cash flows out of domestic and into international funds are running at about \$1bn a week, a level not seen since 1993.

The main concern for issuers of equity is that if they do not move fast, the liquidity will be soaked up by rival offerings. "The pressure is on to get deals done before the summer," said one syndicate manager. "If there is a choice to delay or execute with some

anxiety, issuers are choosing

the latter. Scania's approach to its flotation could be held up as a model for future issuers. After keeping the market guessing for months about whether the deal would happen (indeed, bankers, perhaps intentionally, sent out signals that the deal was off only one month ago) the company then confirmed that it would go public, following up swiftly with the deal's

timetable and structure. The Spanish government has

the success of the Repsol offering, it has proceeded quickly to Argentaria, the banking group, despite the fact that it will coincide with the country's general elections.

By contrast, the momentum behind the Orange flotation appears to have peaked too early and some say the drawn-out process may have allowed investors to ponder too long on the company's estimated valu-ations. "There has been too much airtime on Orange," says one banker.

Orange's camp rejects such suggestions, saying investors needed that time to get to know the company, "In October, the level of knowledge about Orange was zero; now the market understands it a lot

better," says one adviser. With the priority on speed, or at least getting issues away before Deutsche Telecom blocks the runway, it is likely that other important factors needed for a successful offering, such as careful pricing and a cohesive syndicate, will be escrificed.

It will come as no great surprise, therefore, if some issues stumble as they race to mar-

Antonia Sharpe

	Cross Border Maa Deals								
BIDDER/INVESTOR	TARGET	SECTOR	VALUE	COMMENT					
Gene (Germany)	Lloyds Chemists (UK)	Pharmaceuticals idintribution	9650m	All-cash bid related					
Carnival Corp (US)	Alriours (UK)	Travel	2202m	Stake details finalised					
Fairfux Financial (Canada)	Unit of Skandia (Sweden)	Insurance	£190m	Skandle rodte US reinsurance					
Hochu Corp (Japan)	NCA (Australia)	Coal	298m	Buying Agip's 25%					
Chiron (US)	Unit of Hoschat (Germany)	Biotechnology	277m	Initial 49% stake					
Advent Interrectional (US)	Docter-Optik (Germany)	industrial optics	£8m	Venture cepital buy					
Polypipe (UK)	Méridionale des Plastiques (France)	Building products	22.5m	Defensed element					
Stratton Group (US)	AOOT Segezhhabumprom (Russia)	Paper	n/a	Controlling stake					
ING (N'lande)	Dunabenk (Hungary)	Sunking	n/a.	Buying assets & business					
Zenaca (UK)/Sulker Unle (K*Iands)	.	Horticulture	n/a	Zeneca apins off seeds					

EMERGING MARKETS: This Week

The Emerging Investor / Mark Ashurst in Johannesburg

Drama spurs reform calls

the timing of the visit by Mr Hans Tietmeyer, the Bundes-bank president, to South Africa last week was intended to add gravitas to the reserve bank's calls for fiscal discipline ahead of the March 13 budget, then Dr Chris Stals, its governor, need not have bothered to invite him.

Mr Tietmeyer's arrival was eclipsed by the dramatic collapse of the rand, and the swift exodus of an estimated R1bn in foreign investment from the Johannesburg deht market. The drama marks an end to the extended honeymoon that has sustained the currency since the abolition of the Financial Rand last March and provides a graphic illustration of Dr Stals' oft-repeated warnings about the fickleness of the

surging capital inflows. These have increased fourfold since 1994, the year of the first democratic election, and last year topped R20bn. Last week the rand fell victim to what one banker described as "almost hysterical volatility" in the currency market. After trading around R3.65 to the dollar for the past eleven months, it dived to record lows I R4.04, before stabilising around R3.89 late in the week.

The equity market was largely shielded from the fall because of its poor liquidity and thin trade. The greatest impact was in the debt market, where yields on the benchmark R150 12 per cent bond peaked at 14.95 on Wednesday, their highest level since last October. Sales by non-residents mushroomed by more than 45 times from R20m on Tuesday to R925m on Wednesday as mark R150 bond as evidence investors suffered intermittent panic attacks a firm footing

For traders raised in the relative insularity of South Africa's traditionally protected money markets, it was a sobering week. Dealers reassured by Dr Stais' forecasts, as recently as February 12, that rand exchange rates would remain stable in 1996, were confronted with the relative impotence of the reserve bank in a floating money market where daily trade averages \$70bn a day.
"In a developing nation that

is re-integrating into the global economy so fast, something like this was bound to happen sooner or later," commented Mr David Darosa, at Swiss Bank Corporation in New York. "In many ways the rand behaved like the Mexican peso: it was a victim of speculative trading. In a situation of long rands and short yen, with a 15 per cent interest rate differen-tial between two stable currencies, you expect some sharp

adjustments." The downward pressure on currencies in the emerging markets of East Asia, generally viewed as rivals to Johannesburg, tends to support the view that the rand's collapse was an attempt by global market makers to exploit disparities in

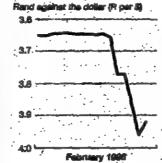
interest rates. By Friday, however, analysts had begun to dismiss comparisons with Mexico, citing a rally in the gilts market and a drop of 42 basis points in the benchthat the local economy was on

The turmoil has injected new fervour into the perennial debate over the future of exchange controls - which the reserve bank and the government have pledged to abolish. Official assurances that an easing of the controls was imminent are widely believed to have precipitated the rand's demise. Union Bank of Switzerland, which reported previously that the rand was overvalued by between 7 and 10 per cent against the dollar, said on Thursday it did not expect the

rand to weaken further. Industrial counters rallied in tandem with improvements in the bond market; Iscor. the steel producer, traded 28.3m shares worth R95.7m in 180 deals on Thursday. A further boost in confidence is expected when the Johan-

nesburg exchange, the world's tenth largest by market capitalisation, embarks on a threemonth transition to screensed trading on March 8. The move is the latest in a series of reforms intended to attract foreign interest and improve liquidity - the single biggest disincentive to foreign

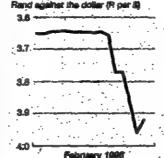
and are rarely traded.



the easing of exchange con-

pointments." investors considering a position in South Africa. About 7 per cent of equities are available for trade, while almost 80 per cent of stocks are held by the five biggest conglomerates The crucial issue remains

South Africa



trols, which would improve liquidity by enabling the biggest institutions to restructure their portfolios and invest some profits offshore. This would also reduce stock prices, which are high in comparison to other emerging markets: current p/e ratios are 20 to 30 times higher than prospective 1996 earnings. According to Mr Barton Biggs, an analyst with Morgan Stanley, the ratio makes "no allowance for the country risk or other disap-

Economists have raised inflation forecasts for the year by 0.5 of a percentage point to 7.5 per cent. The risk of inflationary pressures caused by the weaker rand is keenly felt by the government, which last month announced it would not meet this year's budget deficit target of 5.8 per cent of GNP.

100 92 90 South Airlice

FT/S&P indices in \$ terms exhaused

The rand's sensitivity to further capital outflows will be the principal criterion in timing the further relaxation of controls "It is a small currency, and the market is liquid at the best of times," observed one currency trader. Proponents of a big bang approach to abolition argue that the week's events have strengthened the case for immediate relaxation of

"This is the wrong time to be cautious. For as long as there is any form of capital control, any mention of any kind of change makes the likelihood of destabilising fluctuations much greater," warned Mr Dar-

Although the currency has stabilised, the rush of foreign currency purchases from importers alarmed by its collapse may not be over and

Cyprus pauses there is a risk of continued after its frenzy downward pressure on the rand in the run-up to this year's budget. Dr Stals and Mr Chris Liebenberg, the finance By Kerin Hope in Athens minister, will also be conscious that, in spite of efforts to bury the link between South Africa This month's frenzied trading and political risk, investors are

on the Cyprus stock exchange was triggered by small investors, who are now outpacing the Greek and UK institutions that helped to launch the market's bull run last year.

To the relief of Nicosia's overworked stockbrokers, the market took a breather last week. The Cisco all-share index closed at 505 on Thursday, down 8.1 per cent from an all-time high of 521.7 two weeks ago. Because of the heavy volume of trading, Friday's session was cancelled. A spate of mergers and

acquisitions in the Mediterranean island's insurance and retailing sectors sent share prices soaring. A one-for-10 bonus issue by Bank of Cyprus, the leading blue-chin stock, added to the market's

Daily trading volume surged last year from about C£500,000 (\$100,000) in January to over C£1.5m in December, as Greek Cypriot investors switched funds from savings deposits into equities. This month volume doubled again to over C£3m daily.

The latest rise came with the announcement by Hellenic Bank, the island's third-largest, that it was acquiring the local operations of Barclays Bank in Cyprus. Hellenic reportedly paid C212m for the the UK bank's branch network on Cyprus, raising its share in the flercely competitive market to about 14 per cent.

The takeover of Zako, a listed chain store, by F.W. Woolworth, the island's largest retailer, took the market hv surprise, with shares in both companies jumping when the deal was made public.

Ms Maria Jacovidou of Cyprus Investment and Securities Corporation says: "Small investors have finally discovered the stock exchange. At the same time, regulatory changes have made it easier for overseas investors to join the market."

Under the government's policy of gradually opening Cyprus to foreign investment, overseas shareholders may now hold up to 30 per cent of listed companies' equity. Local stockbrokers estimate that foreign investors, mainly from Greece and the UK, now account for more than 10 per cent of daily transactions.

With the average price earnings ratio at around 15, the market still has room for growth, according to local brokers. Liquidity remains adequate, though only some 20 of the island's 44 listed companies are actively traded.

Analysts expect share prices to consolidate further during the next few weeks, but forecast another rise in April when the informal over-the-counter market is transformed into an official stock exchange.

CURRENCY MARKETS Dollar faces a mixed outlook

Last week was a poor one for the dollar. Four successive days of intervention from the Bank of Japan had a negligible

. Much more of this and investors will be forced to reassess the bullish scenario for the dollar, which is still the dominant market view.

The starting point for the dollar this week will be the feedback from the first meetging, held last Friday, between President Clinton and Mr Ryutaro Hashimoto, the Japanese prime minister. Good relations will help the dollar, while tensions are likely to weigh on it. The first quarter Tankan survey will be closely watched, in case it lends any weight to recent fears that Japanese interest rates might rise sooner than was previously expected.

Another factor will be the Bank of Japan. Repeated, unsuccessful intervention, runs the risk of being ignored by the markets. Indeed, it can actually sour the mood further. On the other hand, traders will be wary of the Federal Reserve and Bundesbank joining in. Also important for the dollar

will be the plethora of data

releases due in the US and Europe. The dollar's rally during the latter part of January was fuelled in part by the view that European growth was slowing sharply, which would

push interest rates lower. German inflation data will provide the backdrop to the Bundesbank council meeting on Thursday, where there is little expectation of a cut in rates. Arguably more important for markets will be the French GDP and unemploy-

ment figures. Weak data will confirm suspicions that growth is slowing,

making it less likely that France will meet the Maastricht convergence criteria. If such news casts renewed doubt on the prospects for a single currency, it will probably boost the D-Mark The pound will also be in

focus today as parliament debates the Scott report. A defeat for the government would be sure to jangle foreign investor nerves. Eyes will also be on the South African rand, which bounced back at the end of last week after earlier falling by 9 per cent in four trading

120 ----

Philip Gawith Latte Are

ING Baring Securities Emerging Markets Indices Month on month movement Actual Percent Year to date movement Actual Percent 23/2/98 World (395) _157.62 -1.07 -0.67 -1.69 -1.06 +10.08 -3.05 -2.18 +3.21 -1.59 +1.09 -38.58 -0.85 Argentina (22) Emzi (23) Chile (16) Colombia (14) 94.61 220.19 183.31 166.06 79.00 1,128.60 _133.22 +1.97 +11.76 -6.84 +12.96 -4.70 +17.82 +34.00 -12.35 +1.84 +5.41 +59.65 +10.08 +7.35 +5.58 +8.18 Barope Greece (18) Portugal (20) Turkey (26) South Africa (32) Burope (86) +1.06 +2.77 -0.73 -3.55 -1.79 +9.86 +10.85 +26.12 +3.73 +6.33 107.63 49,44 155,68 134,39 144,62 199,17 263,60 125,05 +0.14 -0.74 +0.09 +0.05 +0.08 -0.20 +9.75 +2.15 +9.11 +17.04 -2.52 +16.32 +25.58 +39.97 +11.72 -5.78 (thing (24) Indonesis (32) Korea (23) +22.60 +12.29 -1.84 +7.18 +4.65 +4.83 +5.88

NEW YORK

WORLD BOND MARKETS: This Week

Antonia Sharpe

— Month ago ==

Benchmark vield curve (%)*

'Al yields are market convention.

paper, it will provoke some

discussion about funding in

There are no important

economic data due this week.

In any case, data are less likely

On a brighter note, hopes are

high that next week's meeting

between the chancellor and the

Bank of England governor will

produce a quarter-point cut in

the base rate to 6 per cent.

to influence the market as the

political risk grows ahead of

the next general election.

the rest of the year.

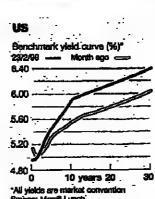
rce: Mentil Lynch

The US bond market has passed a miserable week. By Friday's close, the yield on the long bond had risen above 6.4 per cent. Unsettling the market was the Congressional testimony by Mr Alan Greenspan, chairman of the

Federal Reserve. The market took fright on Tuesday, believing him to have said that economic growth for 1996 would be strong enough without a further interest rate cut. His attempt to clarify his position on Wednesday gave

the market only scant comfort. Mr John Lipsky, chief economist at Salomon Brothers, expects economic data due in the next couple of weeks to be critical to the movement in bond prices.

Statistics such as the PPI, CPI and February employment data, as well as the National Association of Purchasing Management's index, should by now be largely free of distortions created by the government shut-down and the severe January weather.



Maggie Urry

Lipsky expects the data to be benign for the market, opening the way for further rate cuts. Tomorrow will see the PPI for January, which is forecast to have risen by 0.2 per cent, excluding food and energy according to MMS

International Wednesday's CPI figure is expected to show a similar rise in the core rate. The February NAPM index. due Friday, is forecast to have risen from January's 44.2 per cent to 46 per cent.

LONDON

UK.

6.80

UK gilts are likely to trade nervously today when parliament debates the Scott report into sales of military equipment to Iraq. The nervousness will continue tomorrow if the government loses the motion and is forced

to call a vote of confidence. "The political situation is a big negative factor for gilts." said Mr Don Smith, UK economist at HSBC Markets. Even if the government wins the motion, its reduced majority has increased the risk of holding gilts.

The nervousness should rule out any narrowing in the yield spread between gilts and German government bonds which at the end of the week stood at about 168 basis points.

Mr Simon Briscoe at Nikho said the second drag on gilts this week is supply. The Bank of England is set to auction £3bn of 25-year 8 per cent gilts on Wednesday. Although Mr Briscoe expects the auction to go well because of the natural demand for very long-dated

FRANKFURT

Bond traders breathed a huge sigh of collective relief when January's M3 figures finally arrived on Friday. Since the Bundesbank had said they would be distorted, because too short a period has elapsed this year for the annualised rate to be meaningful, the outcome of 8.4 per cent (based on the fourth quarter of 1995) was regarded as acceptable. German bond prices thus

moved ahead smartly. The Bundesbank will now wait and see what February brings. The basic M3 trend remains moderate, with January showing only a 3 per cent rise against the last quarter of 1994. With the economy weak and wholesale and producer prices edging lower in January, many economists think a brither

interest rate cut inevitable The M3 data did not remove that expectation. Dresdner Bank said "the fundamental outlook for a further cut in official interest rates is still favourable".

Germany Benchmark yield curve (%)* 7.00 6.00

5.00

4.00

Andrew Fisher

Source: Mentil Lynch It said the central bank would wait for at least another set of M3 figures before cutting the discount and Lombard rates - now 3 and 5 per cent

10 yrs 20

respectively - again around the end of the first quarter or the start of the second. Mr Julian Jessop, economist at HSBC Markets, said a half-point cut in the discount rate was likely by spring, but Mr Christoph Weil, economist at Commerzbank, said no further rate cuts were likely.

TOKYO

Long-term rates are expected to see further upward pressure this week due to prospects of an economic recovery. Market participants are focusing on the tankan - the Bank of Japan's quarterly survey of business sentiment - which will be released on Friday.

Most analysts expect business confidence to have improved, and this could prompt a sell-off in the already fragile market. Industrial production data for January scheduled to be released on Wednesday could also affect

investor confidence. Participants are also increasingly nervous about comments on interest rates by politicians. Worries have soread following a recent observation by Mr Wataru Kubo, the finance minister, of the negative impact of low interest rates on pensioners' income. Remarks last week by Liberal Democratic Party members about interest rates also prompted profit-taking. At the short end, the Bank of

Benchmark yield curve (%) 29/2/96 .- Mooth ages 200 -0 5 years Source: Menta Lynch

·Emiko Terazoni

Japan is expected to try and keep money market rates from rising, but fundraising by banks before the March year. end is likely to remain strong, pushing up three-month rates.

Meanwhile, the year's strength is expected to: continue, adding to the upward pressure on rates. The Bank of Japan has been trying to 🐪 counter yen purchases by US hedge funds by buying dollars and is expected to continue to do so this week.

Government bonds

Gilts could benefit from a delay to Emu

There are just 24 trading days before European heads of government meet on March 29 to review the Maastricht Treaty at the inter-governmental conference (IGC) in Turin. Whatever they say about the pro-cess of monetary union will be analysed carefully, and any signal that European monetary union (Emu) might be delayed is likely to produce volatility in European bond markets.

One of the few markets likely to stand aloof from such turbulence could be that of UK government bonds.

An analysis of 10-year swap yield spreads (see table) shows that convergence is not priced in for the UK, which shows a 126 basis points difference against Germany at the scheduled start of Emu in 1999. This suggests investors do not expect the UK, which with Denmark has negotiated an "opt-out" from Emu, to converge with Germany.

As the table shows, it is possible to identify four groups of countries, ranging from those that market pricing suggests are the core and most likely to join Emu, through to the

"high-yielding" bond markets, which are least likely to join. Many analysts would argue that forward rates are not good predictors, particularly because of mathematical effects stemming from the steepness of the German yield curve. But they do allow investors to take a view on the likely fall-out from events and the impact on the bond markets. Convergence is obviously priced into French bonds. which puts that market at risk in the event of a delay to Emu.

However, in the long term, gilts could benefit from any turbulence stemming from a delay in Emu. "The IGC could expose the full horror of the difficulties of Emu and that could leave gilts looking quite attractive," said Mr Kevin Adams, gilt strategist at BZW. 'If we get a postponement, or it goes ahead with the peripheral countries excluded, the knee-jerk reaction would be that those countries no longer have the incentive for fiscal austerity, but nothing would have changed in the UK so there might be flows out of

SPREADS TO GERMANY Feb 15 Jan 4 1996 1999 +167 +103 Denmark +162 +269 +391

Nevertheless, despite the prospect of the UK Conservative Party finding it easier to paper over any cracks with its Euro-sceptic wing, gilts would probably suffer in the immediate aftermath of Emu delay.

+999

"There is always a danger in the short term, perhaps on the day of the announcement, that gilts will perform badly because they have this knack of moving in tandem with whichever market is moving about the impact of the UK the worst," said Mr Simon Briscoe of Nikko Europe.

"But the IGC could prove to be a turning point for gilts. There are very few countries around the world that have reasonably sensible independent policy frameworks with a coherent package of economic measures, and the UK is one of them. I would expect gilts to perform relatively well."

He said the spread over 10rear bunds could tighten from its current level of around 160 basis points to about 120 points within six months, as gilts could benefit from the "safehaven" argument in an Emu delay, more good news on the economy and inflation, and further interest rate cuts.

A delay to Emu might weaken the resolve of the "high-yielding" countries to adhere to the Masstricht criteria, but Mr Jan Loeys, of J. P. Morgan, said: "The UK's motivation on fiscal and monetary policy has very little to do with Emu, so gilts might be an

island of stability for a while." However, investors might be forgiven for thinking more

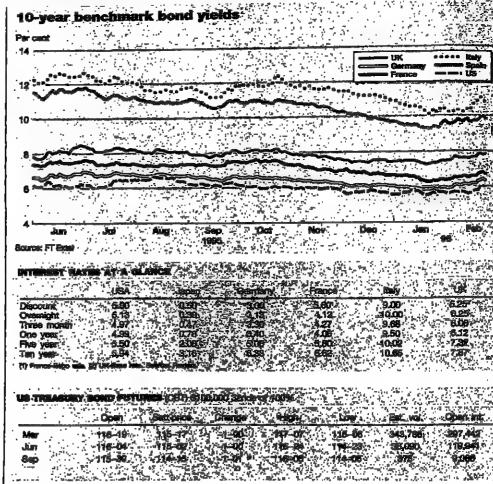
general election than about Emu. The last election was fought with the spread of gilts over 10-year hunds at around 200 basis points: spreads of most other European bond markets to Germany have widened since the last election

Mr Mark Fox of Lehman Brothers, said: "The UK could hit 200 basis points over Germany by the election. The UK is much more expensive to Germany compared with other European bond markets, so the UK is not discounting the tim-

while gilts have tightened.

But Mr Briscoe points to the 160 basis points spread over 10year bunds as evidence that there is a relatively modest political risk in the silts market. He said: "As I understand it, Labour will not change the policy framework, and the macroeconomic policy will be largely unchanged if the Labour party wins. Domestic politics is less important for the silts market than the economy and Emn.

Martin Brice



SIEMENS

Notification of Dividend

The Annual Shareholders' Meeting of Siemens AG on February 22, 1996, has resolved to distribute the net income of DM 727,846,087 for the financial year 1994/95, and has approved the payment of a dividend of DM 13 per share of DM 50 par value. The amount attributable to treasury stock, a total of DM 1,751,087, shall be carried forward.

The following payment will be made against Dividend Coupon No. 40 at the paying agent listed

Per chare of DM 50 par value less 25% withholding tax less solidarity surtax (7.5% of the withholding tax)

DM 13.00 DM 3.25 DM 0.24

DM 9.51

In accordance with the U.K./German Double Taxation Treaty of November 28, 1964, as amended in the protocol of March 23, 1970, the German withholding tax together with the solidarity surtax have been reduced to a total of 15% for shareholders resident in the United Kingdom. To claim this retund, shareholders must submit an application to the Bundesemt für Finanzen, Friedhofstr. 1, D-53225 Bonn, by December 31, 2000.

SIGMA SECURITIES S.A. - MEMBER OF THE ATHENS STOCK EXCHANGE

In the United Kingdom, payment will be effected through the following bank:

ASE INDEX

Yearly High

%Chg (Prev. Wk)

%Chg (Prev. Wk)

1 Y Wk Avg. (USD m)

WEEKLY VOLUME (USD m)

Paying Agency, 2 Finabury Avenue, London EC2M 2PP.

TEL: (301) 3311456 - 3245674 FAX: (301) 3252241 - TELEX 210733 ATRA GR

ATHENS STOCK EXCHANGE Feb 16th - Feb 23rd 1996

-0.52

1003.6

111.95

129.77

Pric 95e (atter bor)

P/CE 95e/94

P/BV 95m/94

P/E 94 (atter tax) EPS GROWTH (%) 856

Div. Yield (%) 85e/84

Berlin and Munich, February 22, 1996 Siemens Aktiengesellschaft Tim Minnaging Board

CS First Boston Grou CS First Boston Finance, B.V.

US\$200,000,000 Guaranteed subordinated floating rate notes August 2003

Guaranteed on a subordinated basis by CS First Boston Group, Inc.

Notice is hereby given that for the interest period 26 February 1996 to 27 August 1996 the notes will carry on interest rate of 5.5% per annum. Interest payable on 27 August 1996 will amount to US\$27.96 per US\$1,000 not and US\$279.58 per US\$10,000 note and US\$2,795.83 per

Agent: Morgan Guaranty Trust Company

ABN-AMRO

ABN ANIRO BANK N.V.

Subordinated Floating Rate Notes

JPMorgan

International bonds Globals come under renewed scrutiny

bond, expected this week, has brought the "global" concept under renewed acrutiny - especially in the light of recent deals which failed to live up to

investors' expectations. Pioneered by the World Bank in 1989, global bonds have been particularly favoured by sovereigns and suprenational agencies, although some corporate borrowers also issue them. What differentiates them

from eurobonds is the fact that they are registered with the US Securities and Exchange Commission and can be sold to all classes of US investors; eurobonds cannot be sold into the US initially unless they are registered under SEC Rule 144a, when they may only be sold to qualified institutional investors.

When the global concept was launched, it promised the best of all worlds to issuers and investors alike: being marketed simultaneously to three geographical regions - Europe, the US and Asia - competition for the paper would create price tension which would allow a borrower to achieve a finer pricing than if it were to tap, say, the US domestic Yankee market, as well as establishing a price at which the

The larger pool of buyers was seen to enable borrowers

The Inter-American Devel- to raise higher volumes of debt some 75 per cent was said to five-year bonds; having roadbase, while 24-hour trading would ensure liquidity and tight bid-offer spreads, giving the bonds a benchmark status that would further enhance the

issuer's profile. In the media and the markets, global bonds acquired the sort of visibility and cachet of which many issuers could only dream.

"Many borrowers have big egos - they like to be sold the idea of a global which will give them a world-wide presence and raise their profile in the market," said a syndicate manager. They all want to be like the World Bank."

However, many global bonds haven't lived up to their promise in terms of placement and performance, he said.

"The global bond concept is quite open to abuse and in some cases it's been used as a marketing glmmick. I can count on one hand the number of globals in the last few years that were aggressively sold in the three time zones and are still actively traded there." For example, the bulk of dol-

lar-denominated asset-backed securities, although nominally global bonds, are usually placed in the US. Moreover, "some issues are more like dressed-up Yankees",

he said, citing Argentina's recent \$1bn offering of which

Still, most traders agree that shoddy execution, rather than their global status, is responsible for the poor performances

"If you take account of market conditions and go through the whole roadshow and bookbuilding process, you will still get exceptional results for issuers and investors," said one syndicate head. "It's not so much that people think globals are better than eurobonds they feel the negotiated pro-

of some bands.

cess is the best to ensure that an issue will be priced correctly and hold its value." When it doesn't, investors get disenchanted - as was the case with some recent globals whose performance was fur-

ther hurt by deteriorating sentiment in the dollar bond mar-While solid pre-marketing got Finland's \$1bn 10-year bond off to a strong start, it

came under pressure from a flood of supply in the 10-year sector, causing its 36 basis point spread over Treasuries to widen by two points.

Close on its heels, a tightly priced \$1.5bn deal for Province of Ontario hit the 10-year sector after little pre-marketing and its spread also widened by two basis points, to 50 points, as a result of over-supply.

Next, Argentina issued \$1bn of Conner Middelmann

issue attracted weak demand elsewhere and soon came in for profit-taking by short-term accounts, causing the spread to widen from 410 basis points at

launch to almost 500 points. "The disappointing performance of a few recent globals may call into question the validity of the global concept,' conceded one syndicate manager in London.

Nevertheless, he said: "The concept remains excellent the only problem is bad execution, which often involves banks telling borrowers what they want to hear in order to get the mandate, and borrowers wanting to believe it."

Meanwhile, the IDB is on track for a successful global issue after a week of international roadshows and investor soundings - unless underlying market developments throw a

spanner in the works. The agency's most inspired decision may have been to appoint as one of its joint lead managers a bank that has never before underwritten s mainstream global bond, SEC

Warburg.
"The IDB and SBC Warburg will want to make absolutely sure the bond performs - it's a first for both of them," said a

THE EUROPEAN WARRANT FUND iociété d'Investissement à Capital Varrable (in liquidation) Registered office: 6, route de Trèves, L-2633 Senningerberg

R.C. Luxembourg No. B 32 792

Notice is hereby given that an **Extraordinary General Meeting**

of shareholders of The European Warrant Fund will be held at the registered office, 6, route de Trèves, L-2633 Senningerberg. on Wednesday 6 March 1996 at 15:00 hours with the following

1. To hear the report of the liquidator;

2. To appoint an auditor to the liquidation: 3. To fix a date for the final liquidating meeting.

There is no quorum at this meeting and resolutions are passed by a simple majority of the votes cast. Shareholders who are not able to attend the captioned extra-

ordinary general meeting, are requested to execute a power of attorney and return it to the registered office prior to the date of the meeting. By order of the Board of Directors

February 1996



GDP (USD bri) 95e

GRDAES

21.2

11.3/12.7

28/25

5.0 / 4.7

Inflation Rate (% Y.O.Y. January 96)

12 Month T-bill (%, end of Jenuary Issue)

Republic of Austria

US\$350,000,000 Floating rate notes 1997

Notice is hereby given that the notes will bear interest at 5.26953% per annum from 26 February 1996 to 28 May 1996. Interest payble on 28 May 1996 will amount to US\$13.47 per US\$1,000 note, US\$134.67 per US\$10,000 note and US\$1,346.66 per US\$100,000 note.

Agent: Morgan Guaranty Trust Company **JPMorgan**

1992 dun 2002 13.84 240.82 In accordance with the A.S.E. Market Capitalisation · 23/2/96 (USD bn) 17.80 terms and conditions of the (POs & Rights Issues (in USD m) 1 Jan 196 -23 Feb 196 45,63 Notes, notice is hereby giv-

GREECE

107.09

10,804

13.80

en that for the interest, period from February 26, 1996 to August 26, 1996 the Rate of Interest has been fixed at 5.08203 per cent. and that the interest payable on the relevant Interest Payment Date, August 26, 1996 against Coupon No. 8 in respect of US\$ 5,000 nominal of the Notes will be US\$ 128.46 and in respect of

Notes will be US\$ 2,569.25. ABN AMRO BANK N.V.

US\$ 100,000 nominal of the

APPOINTMENTS

appears in the UK edition very Wednesday & Thursday and in the International

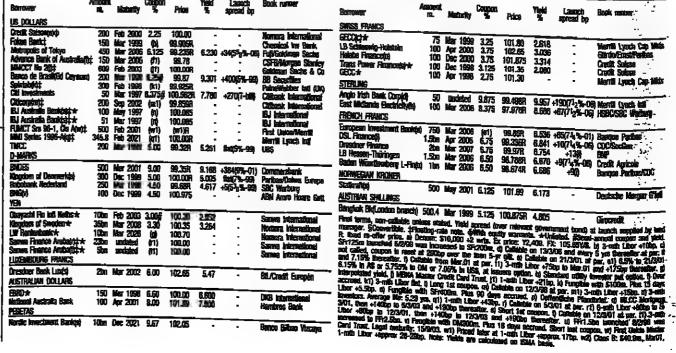
ADVERTISING

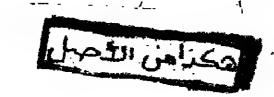
edition every Friday. For further information please

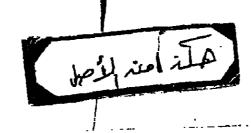
COGLINCO

Toby Finden-Crofts +44 0171 873 3456

NEW INTERNATIONAL BOND ISSUES







GUESS WHAT 300,000 INFLUENTIAL RUSSIANS GET UP TO EVERY FRIDAY.

They bury themselves in the Classified Section of their Financial Izvestia.

As well as all the national and international news and the informed comment they find in Tuesday's and Thursday's Financial Izvestia, Friday's pink pages have an added attraction.

They hunt through the Appointments and Real Estate, weigh up Business Opportunities and Franchises, check out Travel and Tourism offers and what's coming up in Conferences and Exhibitions, Education and Executive Courses.

They are business minded people, so where better to talk to them about your business than in Financial Izvestia - their authoritative, Russian language business newspaper.

For more information about advertising in the Classified Section, call Universal Media Ltd. on (+44) 0171 935 2369 or fax (+44) 0171 935 1929.

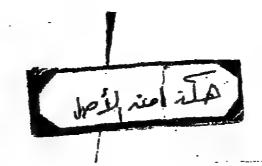


WORLD STOCK MARKETS		
WORLD STOCK MARKETS TO STOCK	10 10 20 - 11 20 - 11 20 10 10 10 10 10 10 10 10 10 10 10 10 10	ANTI-ADELON
Part	200 24 24 25 25 25 25 25 25	K K

74: 45! Fed

en de la composition del composition de la composition del la composition del la composition del la composition de la composition del la composition de la composition del la composition del la composition del l

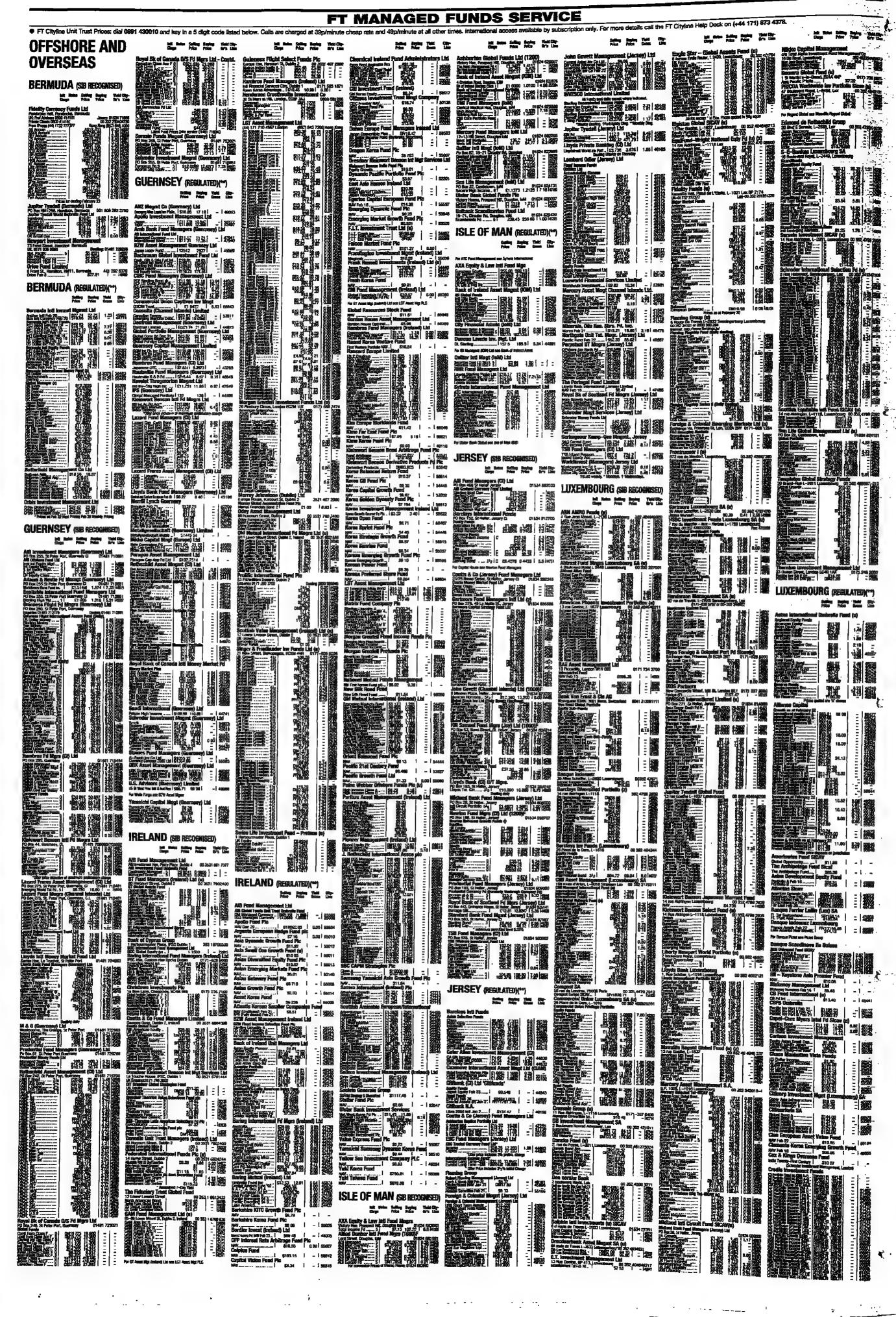
Est. vol Open int. 62,031 351,659 113,595 414,402 130,771 317,684

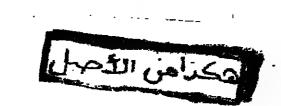


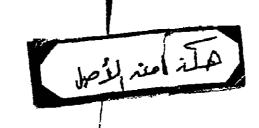
CURRENCIES AND MONEY

Feb 23 Closing Change Bid/offer Day's Mid One month Three months One year Bank of Feb 23 Closing	FARD AGAINST THE DOLLAR Place Bissoft Day's said One could Three morphs One year JP Morphs	WORLD INTEREST RATES
Entrope Mustrite (Bot) 15.7245 -0.0332 187 - 322 18803 15.7777 15.8845 2.2 15.6969 2.7 45.9949 -0.0871 505 - 37 45.1969 4.82505 4.8250 2.7 45.9949 1.7 45.9949 -0.0871 505 - 37 45.1969 2.7 45.9949 1.	-0.002 083 - 104 10.2560 10.1790 10.1894 1.9 10.1809 1.9 10.0384 1.7 108.4 - 00 - 800 28.9620 29.7650 29.815 1.8 29.723 1.8 29.39 1.8 108.3 - 0.003 102 - 125 5.6265 5.5499 6.6078 0.7 6.0022 0.6 5.6167 -0.1 108.8 - 0.0019 102 - 108 4.5404 4.4933 4.5026 1.2 4.4941 1.2 4.4776 0.7 63.7 - 0.0115 845 - 875 5.0101 4.9733 4.9819 1.9 4.9763 0.8 4.962 0.5 109.2 - 0.0013 890 - 200 241.170 236.740 241.87 - 79 244.92 - 8.0 256.956 - 8.1 65.5 - 0.0003 890 - 200 241.170 236.740 241.87 - 79 244.92 - 8.0 256.956 - 8.1 65.5 - 0.0003 890 - 200 241.170 236.740 241.87 - 7.9 244.92 - 8.0 256.956 - 8.1 65.5 - 0.0003 890 - 200 241.170 236.740 241.87 - 7.9 244.92 - 8.0 256.956 - 8.1 65.5 - 0.0003 890 - 200 241.170 236.740 241.87 - 7.9 244.92 - 8.0 256.956 - 8.1 65.5 - 0.0003 890 - 200 241.170 236.740 241.87 - 7.9 244.92 - 8.0 256.956 - 8.1 65.5 - 0.0003 890 - 200 241.170 236.740 241.57 - 7.9 244.92 - 8.0 256.956 - 8.1 65.5 - 0.0003 890 - 200 241.170 236.740 1.5682 - 0.2 1.5864 -0.1 1.5824 0.3 2.75 090 - 100 1572.27 1590 1.5803 1.5692 - 0.2 1.5805 - 4.8 1629.75 - 4.4 72.2 - 0.0004 253 - 258 1.5039 1.6179 1.6262 - 23 1.618 2.2 1.5803 2.0 108.3 - 0.0026 356 - 43 6.3705 6.3175 6.3354 0.4 6.3271 0.7 6.3107 0.4 96.3 - 0.0036 780 - 300 151.540 190.510 151.21 - 3.0 151.98 - 3.0 155.955 - 3.1 93.4 - 0.0036 780 - 300 151.540 190.510 151.21 - 3.0 151.98 - 3.0 155.955 - 3.1 93.4 - 0.0036 780 - 300 151.540 190.510 151.21 - 3.0 151.98 - 3.0 155.955 - 3.1 93.4 - 0.0036 780 - 780 1.1859 1.7760 1.7753 2.7 1.804 3.5 1.4446 2.9 113.6 - 0.0036 780 - 780 1.1859 1.7760 1.7753 2.7 1.804 3.5 1.4446 2.9 113.6 - 0.0036 780 - 780 1.3776 1.3778 1.37777 1.3777 1.3777 1.3777 1.3777 1.3777 1.3777 1.3777 1.3777 1.37777 1.3777	Peliphane Sala Sa
CROSS RAYES AND DEFLIVATIVES EXCHANGE GROSS RAYES		Santas France 1% - 1½ 1½ - 1½ 1½ - 1½ 1½ - 1½ 1½ - 1½ 2½ - 1½ Cart. Dollar 5½ - 5 5½ - 5½ 5½ - 5½ 5½ - 5½ US Dollar 5½ - 5½ 5½ - 5½ 5½ - 5½ Bailan Liva 10½ 10½ 10½ 10½ 10½ 10 10 10 0% 9½ 9½ 0½ 9½ Yan 12 - 2 15 - 1½ 1½ 1½ 1½ 1½ 1½ 1½ 1½ 1½ 2½ 2½ Assan SSing 2 12 12 1½ 1½ 1½ 1½ 1½ 2½ 2½ 2½ 2½ 2½
Depart D	## FT GOLD MINES INDEX 2.646 1.408 1.408 1.408 1.505 2.3 28/12/28 Sam Albacs plaid % sells Right Law 1.655 2.3 28/12/28 Sam Albacs plaid % sells Right Law 1.255 1.247 1.255 1.247 1.24	Separate Separate
		BUSINESSES FOR SALE Appear in the Financial Times
Jun 0,9820 0,982 +0,0025 0,9701 0,9639 905 5,823 right notice month months months	# FP. 12.1 90 70 100mink 70	on Tuesdays, Fridays and Saturdays. For further information or to advertise in this section please contact Karl Loynton on +44 0171 873 4780 or Lesley Sumner on +44 0171 873 3308
#####################################	GOLD MINES OF KALGOORLJE LIMITED	
Sup	Notice of an Adjourned Meeting of the Holdery of the Gold Mines of Kalgoorie Limited (the "Company") US\$65,000,000 7% per cent. Subordinated Convertible Bonds due 2000 (the "Bondholders" and the "Bonds" respectively) In accordance with the ments and conductors of the Trust Deed dand 25th February 1990, nonce is largely given that the meeting of Bondholders, oneverad by the Company for Protay 23rd Hestistry 1996 was adjourned through tolt of quantum and that in adjourned Meeting of Bendholders will be held at the offices of Eferbert Santh, Enchange House, Pringrose Street, London 5C2A 2315 on Priday, the March 1996 in 10,00 on for the purpose of sumedering, and if thought the penning the following resolution which will be proposed as an Estimordinary Resolution: EXTRAORDINARY RESOLUTION THAT this meaning of the brillians of the summanding US\$65,000,000 ? per case. Subordinated Conversible Bunds that 2000 the "Bonds" of Gold Marcs of Kalgoorthe Limited (the "Company") obtained by a Thur Deed dand 29th February 1990 match between the Company and The Law Debenius. Trust Corporation p.l.c. (the "Truster") as trustee for the bolders of Bonds-1815159, 181579	CRÉDIT NATIONAL US\$ 250,000,000 Floating Rate Notes due 1997 In accordance with the Terms and Conditions of the Notes, notice is hereby given that for the Interest Period from February 25, 1998 to May 24, 1996 the Notes will carry an Interest Rate of 5,26663 % per annum. The Coupon Amount payable on the relevant Interest Payment Date, May 24, 1996 will be US\$ 12.88 per US\$ 1,000 principal amount of Note, US\$ 128.8) per US\$ 10,000 principal amount of Note and US\$ 1,288.11 per US\$ 100,000 principal amount of Note. Pesetas 20,000,000,000 KINGDOM OF SWEDEN Yield Curve Notes due 2000 Issued 25th August 1993
Barclays Bark 5.25 C. Hours & Co 6.25	persons whom he whites so mixed on his behalf or give a vicing butteration from a vicing materiation from obtainable from the offices of the Psying and Convenient Agents set out above) materiating a Psying and Convenient Agent in appellet a printy to annual and vote of the Manning at accordance with the attenuation. Bouch may be deposited with any Psying and Convenient Agent or (to the attisfaction of such	Interest Rate 9.30287% per annum
Assets Other Government Securities 12,129,052,825 7,280,947,175 -1,538,560,711 Cher Securities 19,410,000,000 +20,000,000 The Co-operative Seric S25 Courts & Co	Paying and Conversion Agains held to see order or under its commol by Codel Bank S.A. or Morgan Gueranty Trust Computer of blew York us optimize of the Euro-closet Syntexts or any other person approved by its for the approper of obtaining voting conflication or giving voting instructions in supports of the Meeting to another the time found for the Meeting, but not thereafter on the banks that all such instructions are, during the period of 48 hours prove to the more for which the Adacting is convexand, neither revocable nor subject to assertations. Bouch an deposited or held will be released at the constitution of the Meeting or upon instruction of the voting certificates a) or, not less than 48 hours below that which the Meeting is convexent, the voting certificates a jor, not less than 48 hours below that which the Meeting is convexent, the voting certificates a proper interface, and which have been obtained to fraud in relation to the meeting held on 23rd February 1996 will separate unful for the purposes of voting at the storage. At the meeting lates or made persons present holding Bands or voting centificates being provides or appropriately a voticities or the found in held or unpresented by thous shall.	(18% - 6 month Pta. Libor) Interest Period 26th February 1996 26th August 1996 Interest Amount per Ptas 100,000 Notes due 26th August 1996 Ptas 4,651.43
Part Color Dec D	Shows a quantum. Accessmooth De the 14th Newtonber 1995, the Company autonomed a proposed scheme of arrangement ("Scheme") with Nontempty Mining Limited of Normandy" whereby the Company would become a violety owned wheeldby or Normandy, a company betted on the Astendibits Society, and distributed with the control which of the Astendibits Society and distributed with the Company not members of the Normandy Group would become shittenholden in Normandy. The member what cross a surject enterprise was critically and the control of the Company in the sate of 947.711 dates of ASDAS for each US\$1,000 of the Boads. The Company instructed Bain & Company Company Engance Liseasted Class at Company, as provide interpretous advice in respect of the Scheme and its effect on the Boads be mounted to the Company and of ASDAS for each US\$1,000 of the Boads will become currentitie into abuse of Normandy at the rate of 672.875 ontomy shapes of ASDAS for each US\$1,000 of the Boads will become currentitie into abuse of Normandy shapes to be recognized by GRIK minorholdens under the Scheme. Normandy shapes to be recognized by GRIK minorholdens under the Scheme. Normandy shapes to be recognized by GRIK minorholdens under the Scheme. Normandy shapes to be recognized by GRIK minorholdens under the Scheme. Normandy shapes to be recognized by GRIK minorholdens under the Scheme. Normandy shapes to be recognized by GRIK minorholdens under the Scheme of Normandy shapes to be recognized by GRIK minorholdens under the Scheme has discussed and the convenients to the Company in the controlled and the convenients to the Boads. The Company is the convenients of the Boads of the Scheme processes and the convenients to the Company in the scheme Throat Company in the scheme of Normandy for the Company in the convenients of the Boads and the Company and the Scheme becomes of the proposal account of the Scheme based on the transfer the Boads and the Company to the convenients of the Company and of Normandy, will be available for inspection at the adhes	CORRECTION NOTICE Hongkong and Shanghai Banking Corporation Limited (Incorporated in Hong Kong with timited liability) U.S.\$400,000,000 PRIMARY CAPITAL UNDATED FLOATING RATE NOTES (PRST SERIES) Notice is hereby given that the Rate of Interest has been faced at 5.5625%, and that the Interest payable on the relevant Interest Payment Date August 23, 1996, against Coupon No. 22 in respect of US\$5,000 nominal of the Notes will be US\$140.81 and in respect of US\$100,000 nominal of the Notes will be US\$2,812.15. Fabruary 26, 1996, London By: Citizania, N.A., (Issuer Services), Agent Bank CITIBANG Argus Fundamentals Understand what is driving and pricing Petroleum Argus CALLister REE TRIAL to S. Marking purplement A. 151, 6598.782
Fig. 23 Feb 22 Feb 21 Feb 20 Feb 18 High Low High Low Fig. 25 Feb 21 Feb 20 Feb 18 High Low High Low Fig. 25 Feb 23 Feb 27 Feb 20 Feb 18 High Low High Low Fig. 26 Feb 23 Feb 27 Feb 20 Feb 18 High Low High Low Fig. 27 Feb 20 Feb 18 High Low High Low Fig. 27 Feb 20 Feb 18 Feb 20 Feb 18 High Low High Low Fig. 27 Feb 20 Feb 18 Feb 20 Feb 18 High Low Fig. 27 Feb 20 Feb 18 Feb 20 Feb 18 High Low High Low Fig. 27 Feb 20 Feb 18 Feb 20 Feb 18 High Low High Low Fig. 27 Feb 20 Feb 18 Feb 20 Feb 18 High Low Fig. 27 Feb 20 Feb 18 Feb 20 Feb	### FUTURES PAGER ###################################	COMPANISS Established in 1975 OCNA has 20 offices world white. 750 mady-made companies unsidable. For 100 page RREE colour brochure companies unsidable. For 100 page RREE colour brochure companies unsidable. Roy 100 page RREE colour brochure companies laid of Man D MARRIPHIC CA Ret 444 1274 8554 Fact 444 1274 8554 16657 Lundium RICHARD COOK, Ric 184 1244 8554 1255 12566 Fact 444 171 485 3017 Hong Romp BART DBRISH, LUM Telt-4852 25220172 Fact 4852 25211190 USA KEVRN MARRECO, Eng. Telt 41 714 854 3344 Fact 41 714 854 6967

75. 7







FINANCIAL TIMES MONDAY FEBRUARY 26 1996 FT Cityline Unit Trust Prices: dial 0891 430010 and key in a 5 digit code listed below. Calls are charged at 39p/minute cheap rate and 49p/minute at all other times, international access available by subscription only. For more details call the FT Cityline Help Desk on (+44 171) 873 4378. A MENTAL SECTION OF SECTION SE

 $2.585 \mathrm{max} \geq r_{\mathrm{B}}$

SE STEEL SEED

 $\leq .$

ABCURG FEELEN

The second secon

ward facts - See 12-4-12

30	*		LONDON SHARE SE	RVICE			PROCESSES TRUSTS - Cont.	
ALCOHOLIC BEVERAGES With Div Day Ordends Last Cap Rinds Price cirage net cap paid at line Allied Derector with 527 - 19 (223 12 feb and 4.12 1579 Buttors 679	The character The characte	### 1910 1910	EXTRACTI The Charlest Last Committee of the Charlest Last Com	Wide Char	Wide	8.00 27 Nov Mary 210 3313 6 5 5 1 6 5 7 1 5 1 5 1 5 1 5 1 5 1 5 1 5 1 5 1 5	west Am Sort Co	0.00 0.
Schroden	Baryle DM	1927 Radistare Tech 100 40 22 2005 Reinford 100 20 20 20 20 20 20 20 20 20 20 20 20 2		20	Color Charles Charle	2.0 - Qet 11.9 42.1 4.7 4.2 4.00 Cet 5.59 45.21 8.4 7.2 4.1 4.0 Det 5.59 45.21 8.2 1.2 4.7 4.2 1.2 1.2 1.2 1.2 1.2 1.2 1.2 1.2 1.2 1	MSSCD Agin Truck 9 100; 2-22 44 - 6.4 4 -	38.5 - 25.8 9.23 - 25.9 28.1 - 24.6 9.27 - 24.6 9.27 - 24.6 1.26 - 19.2 - 24.6 1.26 - 19.2 - 24.6 1.26 - 19.2 - 24.6 1.27 - 25.9 1.27 - 25.9 1.28 - 25.9 1.29 - 25.9 1.20 - 25.
10 12 12 12 12 12 12 12	The Catts 3-17 320 25 7.4 25 Jul Mar 9.00 20 0.4 4.5 21 Sup 14.8 20 0.4 4.5 20 0.4 20 20 20 0.4 20 20 20 0.4 20 20 20 20 20 20 20 20 20 20 20 20 20	ENGINEERING	Westerland A. V Div Zinhhamb. Lord Chy Messer VIII P. Lord, path of the process of the path of the p	## 12	- Fortis As.		wort Endocrement _ 2v 127	125 63 774 10 952 24 7 497 149 954 263 2151 160 7 - 5194 276 - 3196
Montand	Agentizan	### Answer 1447 1848 27 & 485 287	22 A filar Oct 22 12 1938 Rander R 22 2 2 A filar Set 2 12 1938 Rander R 23 2 2 A filar Set 2 12 1938 Rander R 24 2 2 2 A filar Set 2 12 1938 Rander R 24 2 2 2 3 2 2 2 2 2 2 2 2 2 2 2 2 2 2	113	See Burill 2 Co. 2 See Burill 2	7.5 1.3 likey likey 25.9 4107 kill 11.5 22.9 at 100 to 2.10 4.134 kill 11.5 22.9 at 100 to 2.10 4.34 kill 12.76 1.5 Apr Oct 4.9 5518 4.34 kill 12.76 1.5 Apr Oct 4.9 5518 4.34 kill 12.76 1.5 Apr Oct 4.9 5518 4.34 kill 12.76 1.5 Apr 19.5 462 kill 13.76 1.5 Apr 19.5	Service 1 2 2 Acr i service 1 Acr i service	21.12 1.2.2 32.75 21.2.3 1.2.3 32.75 22.3 1.2.3 32.75 22.3 1.2.3 32.75 22.3 1.2.3 2.2.3 32.3 22.3 1.2.3 2.2.3 32.3 22.3 1.2.3 2.2.3 32.3 22.3 1.2.3 2.2.3 32.3 22.3 1.2.3 2.2.3 32.3 22.3 1.2.3 1.2.3 2.2.3 22.3 1.2.3 1.2.3 2.2.3 22.3 1.2.3 1.2.3 2.2.3 22.3 1.2.3 1.2.3 2.2.3 22.3 1.2.3 1.2.3 2.2.3 22.3 1.2.3 1.2.3 2.2.3 22.3 1.2.3 1.2.3 2.2.3 22.3 1.2.3 1.2.3 2.3 2.3 22.3 1.2.3 1.2.3 2.3 2.3 22.3 1.3 1.2.3 2.3 2.3 2.3 23.3 1.3 1.2 2.3 3.4 2.3 23.3 1.3 1.2 2.3 3.4 2.3 23.3 1.3 1.2 3.4 3.3
White read	### Supplies	13 13 14 15 15 15 15 15 15 15	2.2 Feb det 4.12 2000 Wert Fich E. 2. 2000 Compare 80 2.2 10 2.2 2.2 2.2 2.2 2.2 2.2 2.2 2.2 2.2 2.	ODUCERS W14. Dir Dir Diridunds Last O 4 -12 0130	C Statements 10 100 -1.0 Architect Sections 6-0 100 24 100 -1.0 Above 5 100 100 100 100 100 100 100 100 100 1	1.1 Jam 2.2.5 2.5 2.5 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Smaller Acet. 441 140 -1.0 1.281 high straints are straints and the straints are st	19.1 2.10 mm 1.12 2.14 mm 1.12 2.15 mm 1.12 2.15 2.15 2.15 2.15 2.15 2.15 2.15
State Stat	NVERSIFIED INDUSTRIALS With Die Debteck Last State S	Linear L	27 Apr Nov 9.10 882 February 171 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	The second secon	British Assamb 84 4 4 4 4 4 4 4 4	### APPA 10 2012 7.11 1889 188 APPA 10 22.3 - 4889 188 APPA 10 2.3 -	Transition of the control of the con	110 - 401 110 - 401
Supplement April	The state of the s		12 Sept. 90 12.03 3503 12.05	112 0.8 CAME 25 Rep. 195 388 114	Cartistanth Inca. Inc. I	- Dec 22,21194 2000 Section	Sout	201.11.511 3375 25.20.11 1337 25.20.11 1337 25.20.11 1337 25.20.11 1337 25.20.11 1337 25.20.11 1337 25.20.11 25.15 25.20.11 25.15 25.20.11 25.20 25.20.11 25
BUILDING MATS. & MERCHANTS	With Div Div Obtaineds Last Company Compan	Cap Cit Fig. 12 24 7.1	Just Dec 4.0 4655 av 7A Hushbann 10.2 24 Rev May 20.12 4607 Averstum 10.2 25 Rev May 20.12 4607 Averstum 10.2 25 Rev May 20.12 4607 Averstum 10.2 25 Rev May 20.10 4607 Averstum 10.2	The Petro (Figur 1st cit), paid 1st line Petro (Figur 1st line), paid 1st	Addeny Jap Vals. A 1,3 2,4 Warrasts 25 4,2 A A A A A A A A A	Transport Tran	TRUSTS SPLIT CAPITAL War in the best of the control of the contro	387.5 12.2 4285 3.63 27.2 4315 3.63 27.2 4315 3.63 1.69 4022 3.75 4870 3.65 1 16.9 4022 3.75 4870 3.65 5.5 4291 3.65 5.5 4291 3.65 5.5 4291 3.65 1.65 4290 3.65 1.65 4290 3.65 1.65 4290 3.65 1.65 4290 3.65 1.65 4290 3.65 1.65 4290 3.65 1.65 4290 3.65 1.65 4290 3.65 1.65 4290 3.65 1.65 4290 3.65 1.65 4290 3.65 1.65 4290 3.65 1.65 4290 3.65 1.65 4290 3.65 1.65 4290 3.65 1.65 4290 3.65 1.65 4290 3.65 1.65 1.65 1.65 1.65 1.65 1.65 1.65 1
Section Sect	18	Second S	225 Feb Best 15.1 4985 Hector-9984 Sep- - Jed New 11.3 4986 Pestra-1998 Sep- - Jed New 11.3 4986 Pestra-trades. 23 January 22.17 1998 - Bray 4985 - Ground Core House, 5 - School Registration, 5	787, -0.5 1.78 1.4 the law 10.0 GHz 757, -2.6 1.78 1.4 the law 10.0 GHz 757, -2.6 1.78 1.4 the law 10.0 GHz 757, -2.6 1.78 1.4 the law 10.0 GHz 757, -1.78 1.78 1.78 1.78 1.78 1.78 1.78 1.78	Warrants	Adepty 25,27,11 277 27	Section Sect	5.02 -2 1837 6.45 52 3572 5.16 -3332 7.194 52 2574 1.81 -252 1.81 -252 1.81 -252 1.81 -252 1.81 -252 1.81 -253 1.81 -253
Second S	Ca Bus Syd. At 1976 3.		12 Sup flow 21 to 1206 Magning 12 Sup flow 3103 Magning 12 Sup flow 3103 Magning 12 Sup flow 12 Sup fl	W144 Dir Dir Diriktende (185 Chy Proc cirum unt ent. publ unt him Rec 21 945 218 Art Dar 217 128 Rec 21 945 218 Art Dar 217 128 Rec 21 945 218 Art Dar 217 128 Rec 21 945 218 Art Dar 218 128 Rec 21 945 218 Art Dar 218 128 Rec 21 11 946 21 128 Rec 21 128	Near and 19 19 19 19 19 19 19 1	1.00 1.00	and inc	30.5 22.1 3834 20.976.10 20.76

وكنامن الأعطي

FINANCIAL TIMES MONDAY FEBRUARY 26 1996 LONDON SHARE SERVICE OTHER FRANCIAL - Cont.

OTHER ### Obv Dar Obvidends Less Of Spring and Cov paid and Spring and Cov paid and Spring and Cov paid INV TRUSTS SPLIT CAPITAL - Cont. -18 1.35 Apr Nov -23 3.35 Apr Nov -23 3.35 Apr Nov -24 8.4Feblykaltv -2.1 8.4 Feb Aug -11 8.5 Feb Aug -5.1 8.5 Apr Oct -5.1 8.5 Apr Oct 15.152,140,1/00 8.1 May Ray 2.1 Jun Dec 3.75 Mar Sep 3.75 Mar Sep 7.24 Sep 13.2 Mar Sep 8.6 Janquijuc 3.7 May Oct | Notes | Price crimge | per | Common | Price crimge | Price crimg ## 15 Der Die Diedends Last City pale | Printing pale | Printi Security Serve 177 | 102 | 117 | 247 | 259 | 117 | 247 | 259 | 117 | 247 | 259 | 117 | 247 | 259 | 117 | 259 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 | 257 7.00 Delde JeSe 7.78 MeJeSeDe Interest rates set to rise on 7º March 1996

The second of the second of

The state of the s

Constitution of the second

A CONTRACTOR OF THE STATE OF TH

The Property of the Control Co

12

おからなる おかかか

43.4

-L-

High Low Beeck
15²g 11 Keystin Car
23 184, Keystin Int
135²g 47²k MinDCI
45²g 32²g KngMnt
16²h 54²k Kessti
12 5²g Kellecorpes
23²g 18 Korpes Fi
41²g 34²g 16²H
23²g 18 Korpes
23²g 23²g KngMnt
24²g 10²g 10²g
10²g 23²g Kngmnt
10²g 23²g Kngmnt
10²g 23²g Kngmnt
10²g 23²g Kngmnt
10²g 10²g 10²

4 pm close February 23

10% 5 Advest Grp 27% 16% Advo Inc 46% 24.86 Agen 5% 3% Agen 5% 3% Agen 5% 3% Agen 6% Agen 16 America 28% 16 America 28% 16 America 28% 16% America 37% 16% America 27% 16% America 27% 16% America 27% America 27%

(8½ Allen Com 53½ Allengen x 153½ Allengen 2 53½ Allengen 2 53½ Allengen 2 53½ Allengen 2 53½ Allengen 2 54½ Allengen 2

7% Am Press
412 Americal
634 Americal
634 Americal
634 Americal
634 Americal
634 Am Bas Prel
634 Am Cap Ine
634 Am Ine
635 Am Cap Ine
634 Am Ine
635 Am Cap Ine
634 Am Ine

20 Armon 2-75
36 fg Artow Eac.
31s Artin Gry
16 fg Artow Eac.
31s Artin Gry
16 fg Artow Eac.
31s Artin Gry
17 Aemon 2012 Aemon 2012 Aemon 2012 Aemon 2014 Aemon 2014

- 8 -

のない そうないてきなる

| Section | State | Section | Sectio

- C -

199000 High Law State.
35% 21% CLC total
25% 11% Custom
46% 31 Custom
12% 11 Custom
11% 57% CV Roll
35% 11% Cyclare Spa
27% 11% Cyclare Spa

| Table | Tabl - D -七十七十七十 中海山之城是衛名城城等北西山東山城等的名物 上海南北 山南市

- E -由他的由出版的人的由出出的

たんちん

4

-1g -1g -1g

場を持ちる

ゆうかいりゅう

13% - 3 16% 71% - 4% EC4 - 1%

- H -

711-1 557-1 MEMA INC. 1.38 1
251-1 1613 MCN. 0.53 3
3 8-4 7-5 MCN Mayer 6.12 1
23 171-1 MOU Pee 1.09 9
5-2 8-1 MCS Darker 1.09 9
5-2 8-1 MCS Darker 1.09 9
5-1 28-1 MCS Darker 1.09 9
5-1 28-1 MCS Darker 1.09 9
5-2 12-1 Magnetist 1.09 1
201-1 11-1 MacFrg. 1.09 1
201-1 Marker 1.09 0
201-1 11-1 MacFrg. 1.09 1
201-1 11-1 MacFrg. 1.1 MacFrg.

 $\pm k_{\rm f}$

| 1908/95 | 194 | 197 | 25 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 1

en general de la companya de la comp

14-1. 6-1. O H M Crp 24 95 7-2 7-3.

22 18-2 Claik Inda 8 225 24-3 24

45-12 21-5 Calendrod Has 9.08 0.2 20 821 45-4 42-4

24-5 18-7 Chromod Has 9.08 0.2 20 821 45-4 42-4

24-5 18-7 Chromod Has 9.08 0.2 20 821 45-4 42-4

23-1 18-7 Chromod Has 9.08 0.2 20 821 45-4 42-4

24-5 18-7 Chromod Has 9.08 0.2 20 821 15-2

24-5 18-7 Chromod Has 9.08 0.2 20 821 15-2

24-5 18-7 Chromod Has 9.08 0.2 20 11 15-34 42-5

24-5 18-7 Chromod Has 9.08 0.2 20 11 15-34 42-5

24-5 18-7 Chromod Has 9.08 0.2 20 11 15-34 42-5

24-5 18-7 Chromod Has 9.08 0.2 11 15-34 42-5

24-5 18-7 Chromod Has 9.08 0.2 11 15-34 42-5

24-5 18-7 Chromod Has 9.08 0.2 11 15-3 15-4

24-5 18-7 Chromod Has 9.08 0.2 15-3 15-4

24-5 18-7 Chromod Has 9.08 0.2 15-3 15-4

24-6 18-7 Chromod Has 9.08 0.2 15-3 15-4

24-6 17-1 Chromod Has 9.08 0.2 15-3 15-4

24-7 18-7 Chromod Has 9.08 0.2 15-3

24-7 18-7 Chromod Has 9.08 0.2 15-3

24-7 18-7 Chromod Has 9.08 0.2 15-3

24-7 18-7 Chromod Has 9.08 0.2 15

BE OUR GUEST. JOLLY J HOTEL DU GRAND SABLON

13% 942 Elbyi 13% 18% Europe Fil 18% 14% Europe Fil 18% 14% Europe 71% 38% Europe 86 40% Europe

0.50 4.5 17 3529 11 0.86 6.6 179 13¹₂ 1.32 8.1 11 16²₃ 1.60 2.2 19 431 471 ¹₂ 3.00 3.6 1515445 84¹₈

25% 12% 00° tac
25% 10% 0° Tac
10% 0° 9° Timonity x
5 25% 10% 0° Timonity x
5 25% 10% 0° Timonity x
12 25% 10% 0° Timonity x
44% 27% 10% 0° Timonity x
42 25% 27% 10° Timonity x
45 25% 10° Timonity x
45 25% 10° Timonity x
45% 25% ~ **d** -22⁴g 37³g J Baye Pf 50 35³g J Pero L 13⁵g 7³g Jacoba Beg 10³g 7³g Jacoba Beg 10³g 7³g Jacoba 10³g 7³g Jacoba 10³g 37³g Jacoba 10³g 45³g Jacoba 12 7³g Jacoba 25³g 17³g Jacoba 12 7³g Jacoba 25³g 17³g Jacoba - K -

337 7.0 387 48¹4 48 48
350 7.1 504 48¹2 48¹4 48¹4
1 032 27 15 207 12²3 11²4 11²4
0 10 22 13 8²5 48¹4 18¹4
0 10 22 13 8²5 48¹4 18¹4
1.4 26 15 786 12²5 25¹4 55¹4
7.8 78 26 101²2 101²2 101²2
1 4 32 11²6 8¹4 8¹4
1.32 1.4 35 11²6 8¹4 8¹8
1.33 1.4 35 11²7 35 23¹2 22²4
1.34 36 38 18 78 23¹2 22²4
1.35 11²6 8¹8 8¹8 8¹8 由我有我好去好 我接出

一年 一年年 李年年十年 一年年 李年宗宗李子子

中 日本の日本の日本の日本

1.00 2.3 12 47 53½ 52½ 57½ 1½
0.72 1.2 8 85 56½ 55½ 57½ 1½
0.72 5.1 14 79 12½ 51¾ 1¾ 1½
0.72 5.1 14 79 12½ 51¾ 1¾ 1¾
0.72 5.1 14 79 12½ 51¾ 1¾ 1¾
0.72 5.1 14 79 12½ 51¾ 1¾ 1¾
0.72 5.1 14 79 12½ 51¾ 1¾ 1¾
0.72 5.1 14 79 12½ 51¾ 1¾ 1¾
0.73 6.3 8 63 65¼ 46½ 46¾ 4½
0.73 6.3 8 63 65¾ 46½ 46¾ 1¾
0.73 0.3 10.32 10.4½ 31¾ 34 4½
0.33 0.3 10.32 10.4½ 31¾ 34 4½
0.35 0.3 10.32 10.4½ 31¾ 34 4½
0.36 0.3 10.32 10.4½ 31¾ 34 4½
0.36 0.3 10.32 10.4½ 31¾ 34 4½
0.36 0.3 10.32 10.4½ 31¾ 34 4½
0.36 0.3 10.32 10.4½ 31¾ 10.½ 1½
0.36 0.3 10.32 10.4½ 31¾ 10.½ 1½
0.36 0.3 17 10.3 10.½ 10½ 10½ 1½
0.36 0.3 10.32 10.32 10.½ 10½ 10½
0.36 0.3 10.32 10.½ 10½ 10½ 10½
0.36 0.3 10.32 10.½ 10½ 10½ 10½
0.36 0.3 10.32 10.½ 10½ 10½ 10½
0.36 0.3 10.32 10.½ 10½ 10½
0.36 0.3 10.32 10.½ 10½ 10½
0.37 1.36 7.4 13 13½ 10½ 10½ 20½ 20½
0.38 0.3 10.32 10.32 10½ 10½ 10½
0.3 10.32 10.32 10½ 10½ 10½
0.3 10.32 10.32 10½ 10½ 10½
0.3 10.32 10.32 10½ 10½ 10½
0.3 10.32 10.32 10½ 10½ 10½
0.3 10.32 10.32 10½ 10½ 10½
0.3 10.32 10.32 10½ 10½ 10½
0.3 10.32 10.32 10½ 10½ 10½
0.3 10.32 10.32 10½
0.3 10.32 10.32 10½
0.3 10.32 10.32 10½
0.3 10.32 10.32 10½
0.3 10.32 10.32 10½
0.3 10.32 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0.3 10.32 10½
0. GOTE SEE NCH Comp

B4 467 Name

B4 467 Name

B4 10% Holosop x

27 11% Holosop x

28 11% Holosop x

B4 10% Holosop x

B4 七 人名英西 电音 电影上语言 医食物 计专门语言

17 % 11 % Sanda R 55% 25% SVS Te 10 % 7% Sahine Rit a 53 11 % Saleoy d Sc 18 % 12 % Sthyll 28 % 13 % Saleoway 15 % 71 Soleoway 15 % 71 Soleoway 36 % 52 % Saleoway 66 % 54 % Saleoway 66 % 54 % Saleoway 67 % 24 % Saleoway 68 % 27 % Saleoway 68 % 27 % Saleoway 14 % 10 % Saleoway 14 % 10 % Saleoway 10 % 32 % Saleoway

- R -

مكنامن الأصل

When you stay with us in IRUSSELS stay in touch -with your complimentary copy of the

FINANCIAL TIMES MONDAY FEBRUARY 26 1996 *		33
1906/96 THE DOOR OF STREET	COOM N Sh. 1 Pt Sh	TIONAL MARKET 4 pm close February 23
Continued from previous page 184. 8 SFCGG UDS 03 53 7517 16 153. 16 15.	ACC COP 0.12 37 3316 2.9 274 284 48 48 48 48 48 48 48 48 48 48 48 48 4	K Sunds 0.08 31 289 9% d83% 83% 83% 83% 83% 18718 23% 23 23 34 4 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8
575 22's SESTING 170 1982 41's 40's 40's 40's 40's 15's 20's 1880 1870 23's 27's 27's 75's 1.12's 17's Sheeky Will 0.28 25's 14 60 11's 11's 11's 11's 11's 11's 11's 11'	A TO 1976 2712 2712 2714 2142 274 1.2 A TO 1976 2715 4774 2142 274 1.2 B 1.3120 42 1845 1942 1912 1912 2 13130 142 1845 2714 1.2 A TO 2716 2715 4774 4452 4714 1.2 B 1.3120 42 1845 1942 1912 1912 2 13130 142 1845 144 145 1912 1912 2 13130 142 1845 145 145 145 145 145 145 145 145 145 1	Library Co. 13 26 12 13 12 12 15 13 12 12 15 13 13 13 13 13 13 13 13 13 13 13 13 13
23% 11% Smoken 0.00 2.2 10 275 22% 22% 22% 22% 22% 22% 22% 22% 22% 22	2 12.2 1307 33 33 33 33 33 33 33	Marchell 0.65 2 2565 25 244 25 14
24% 12% Stone Card	8 2.5 18 9617 194 13014 13314 +2 ¹ / ₂ 8 2.5 18 9617 194 13014 13314 +2 ¹ / ₂ 8 2.5 18 9617 194 13014 13314 +2 ¹ / ₂ 8 2.5 18 9617 194 13014 13314 +2 ¹ / ₂ 8 2.5 18 9617 194 1351 44 ¹ / ₂ 4 3.5 0 1236 04812 47 ¹ / ₂ 4 3.5 0 1236 04812 47 ¹ / ₂ 4 3.6 0 7 6 ¹ / ₂ 4 3.6 0 7 6 ¹ / ₂ 5 6 ¹ / ₂ 8 6.5 18 2012 2014 2012 +1 ₂ 8 64 2014 19 11 11 11 11 11 11 11 11 11 11 11 11	Molesch
C12 37s TGSV tenter 0.20 4.8 4 382 41s 4 41s -1s 37s 23s 100s 23s 30s 30s 30s 30s 30s 30s 30s 30s 30s 3	Surf Brwn 12 2244 23\frac{1}{4} 21\frac{1}{4} 22\frac{1}{4} 21\frac{1}{4} 22\frac{1}{4} 21\frac{1}{4} 21\frac{1}{4} 21\frac{1}{4} 1\frac{1}{4} 1	Nexternam 12 5926 15 15 16 16 16 17 17 17 17 18 12 18 12 18 18 18 18
American 2 103 11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Chef Fid 1.20 17 596 34 2 33 3 34 34 4 1 1 1 1 1 1 1 1 1 1 1 1 1	Chicker Chic
Consists 0.30 15 43 215 215 215 215 25 25 25 25 25 25 25 25 25 25 25 25 25	Cognec Cp 44 7094 25 233, 243, -12 tent in Country Cp 2 1097 4712 453, -47 +13 tent in Country Cp 2 1097 4712 453, -47 +13 tent in Country Cp 2 1097 4712 453, -47 +13 tent in Country Cp 2 1098 0 1,5131 368 2114 2634 27 +14 tent in Country Cp 2 17 1312 29 2832 2834 2834 200 6013237 1876 19 19 15 15 15 15 15 15 15 15 15 15 15 15 15	Pacificre 25 1137 u95½ 91½ 91¾ 14 without 53 8910 75½ 73 74¾ 1½ 15 1½ 14 11¼ 11¼ 11¼ 1½ 1½ 15 1½ 14 1½ 1½ 1½ 1½ 1½ 1½ 1½ 1½ 1½ 1½ 1½ 1½ 1½
Gain the edge over your competitors by having the Financial Times delivered to severy working day. Hand delivery services are available for all subscribers in the of Bergen, Oslo, Stavanger and Trondheim. Please call +46 8 791 23 45 for more Financial Times. World Business Newspaper.	Cycogen 4 6579 7 ¹ 2 7 ¹ 4 7 ¹ 2 +16 ms*rokano 120127 6 ms 220 2 your home or office business centres land and 180026 33 ¹ 2 30 ¹ 2 31 ¹ 4 3 ¹ 2 Dat Green 0.13 7 25 91 ¹ 2 89 ¹ 7 89 ¹ 7 19 ¹ 7 Datafex 18 137 4 ¹ 8 4 ¹ 8 4 ¹ 8 4 ¹ 7 18 Datafex 18 137 4 ¹ 8 4 ¹ 8 4 ¹ 8 4 ¹ 7 18 Datafex 18 137 22 24 ¹ 4 1 Datafex 18 137 24 ¹ 8 22 24 ¹ 4 1 Datafex 18 137 24 ¹ 8 22 24 ¹ 4 1 Datafex 18 137 24 ¹ 8 22 24 ¹ 4 1 Datafex 20 28 8 8 30 ¹ 2 31 ¹ 2 12 12 12 Datafex 18 137 24 ¹ 8 12 14 13 18 13 18 13 18 13 18 12 ¹ 8 13 18 18 18 18 18 18 18 18 18 18 18 18 18	Powell 16 1108 u105 1014 1014 1014 PresCas 3 1854 216 2 2/6 PresCas 3 1854 216 1012 1013 1012 1013 1012 1013 1012 1013 1012 1013 1012 1013 1012 1013 1013

MONDAY

MPs debate Scott report In London, a parliamentary debate on the

26

findings of Sir Richard Scott's inquiry into the arms-to-Iraq affair is set to test the loyalty of Tory backbenchers. The government insists it has been cleared on the "two central charges" - that ministers secretly authorised the sale of weapons to Iraq and then intentionally misled parliament. However, the opposition insists the government is distorting Scott's findings - which were that MPs were misled and ministers were "at fault". A number of Conservatives privately agree but are expected to toe the government line rather than risk another embarrassing vote of confidence.

African unity conference

Foreign ministers from countries of the Organisation of African Unity meet in Addis Ababa for their annual conference. The main topic is expected to be the proposal by the UN secretary-general, Boutros Boutros-Ghali, for a rapid deployment force of 25,000 troops ready to intervene in Burundi.

EU foreign ministers meet

The most divisive issue facing EU foreign ministers at the general affairs council meeting in Brussels is the proposed trade pact with South Africa. Whether to give the EII Commission the go-ahead to negotiate with South Africa on a wide-ranging trade agreement has split member states because some, such as France, fear it could set a precedent. Similar disagreements are likely when ministers discuss a mandate for negotiations with Mexico. Greece's move to block agreement on an aid package for Turkey will also be debated.

Menem visits France



The Argentine president Carlos Menem, arrives in Paris for a three-day visit receded by a hipment to France of two Argentine horses for President

Jacques Chirac. The horses, a gift from Mr Menem, are said to be in fulfilment of a promise made in 1991 when Mr Menem presented Mr Chirac, then mayor of Paris, with a set of silver spurs, vowing that the horse would follow when Mr Chirac becama president.

Democracy in Sierra Leone

While rebels in Sierra Leone are chopping off some voters' hands and heads, the west African state is to hold its first presidential election for 10 years. One of the world's poorest countries, the former British colony remains unstable after a military coup toppled Captain Valentine Strasser last month and installed his deputy, Julius Maado Bio. The new regime had asked delegates at a convention to postpone the elections until after peace talks with the Revolutionary United Front. whose leader, Foday Sankoh, promised the



On Thursday, US forces leave Halti - but President Bill Clinton will be tooking out for Cuba after it shot down two unamed planet

talks if the elections were delayed. Delegates voted to go ahead. More than 10,000 people have died in the civil war.

Chun Doo-hwan on trial

South Korea's former president, Chun Doo-hwan, is to go on trial for corruption. He is accused of accepting as much as Won950bn (£790m) in corporate bribes during his 1980-1988 term, Businessmen who allegedly paid Mr Chun will not be charged because the statute of limitations for their activity has expired. The trial may be delayed if the court decides that Mr Chun has not fully recovered from the effects of a one-month hunger strike.

Take That

Robbie Williams, who broke teenage hearts by leaving the UK pop group Take That, appears in court on the first day of his case against RCA, the band's record company, Williams, who hopes to negotiate with other labels, claims Take That's contract limits free trade.

Berlin film festival prizes

The 1996 Berlin Film Festival presents its prizes. Hollywood favourites for the Best Film Goiden Bear include Terry Gilliam's time-travel fantasy Twelve Monkeys and Tim Robbins' death-penalty drama, Dead Man's Walking. Praised oriental movies include *Mahjong*, from Taiwan, and *The* Sun Has Ears, from China. Britain and Taiwan joined talents for the popular opening film, Ang Lee's Jane Austen adaptation Sense And Sensibility.

Cricket

Japan

Japan

UK

arriving at capital (7)

(5)

World Cup: Pakistan v Netherlands, Lahore. Pakistan; and Zimbabwe v Kenya, Patna, India. Matches in groups A and B continue to March 6.

ECONOMIC DIARY

Public holidays

Cyprus, Greece, Kuwait.

TUESDAY

Dole faces tough primaries Three of this week's four US Republican primaries take place in Arizona, North and South Dakota - with that in South Carolina on Saturday. Bob Dole, who is badly in need of winning, faces tough competition from Pat Buchanan in conservative Arizona and South Carolina where religious conservatives are influential - and possibly even in the Dakotas, Lamar Alexander, from Tennessee, also must show some strength

in his native south to prove his viability as

the establishment alternative to Mr Dole.

War crimes hearing



warrant issued.

Milan Martic, a rebel Croatian Serb leader accused of ordering a cluster-bomb attack on Zagreb. Mr Martic, who is believed to be in Serbia, is charged with war crimes relating to two rocket attacks in which seven civilians died. Although he cannot be tried in his absence, with

The UN criminal

tribunal for former

Yugoslavia holds a

public hearing in

The Hague against

Christopher in Latin America The US secretary of state, Warren

Christopher, arrives in Chile from El

6.9%

4.8%

-£613m

may be called and an international arrest

Salvador as part of a tour of Latin America and the Caribbean (to Mar 4). He flies on to Argentina, Brazil and Trinidad and Tobago. It is the first extended visit to the region by a US secretary of state for seven years and marks a recognition of the spread of democratic politics and free-market economic policies.

Public holidays Dominican Republic.

WEDNESDAY

28

Paime murder mystery

A sombre Sweden will mark the 10th anniversary of the murder of Olof Palme, the former prime minister. The police are no closer to solving the mystery of who gunned down Mr Palme as he walked home with his wife from the cinema. Theories about the killing have swung from a lone madman to a conspiracy by right-wing extremists within the police force. Not even the murder weapon has been found.

FT Survey FT Exporter.

THURSDAY 29

Summit of Caribbean leaders The impact of the North American Free Trade Agreement on the economies of the Caribbean will be discussed by the prime ministers and precidents of the 14-nation Caribbean Community (Carlcom) at a two-day summit in Georgetown, Guyana. Two of the larger members - Jamaica and Trinidad and Tobago - want to be listed

for accession to Nafta. Other members fear this will harm the community's integrity. Caricom claims that in becoming more competitive since joining Nafta, Mexico Is taking Caribbean market share in Canada and the US.

US forces out of Haiti

The last US members of a UN force in Haiti leave, 18 months after the US intervened to reinstate the exiled president, Jean-Bertrand Aristide. The UN is expected to agree to a Haitian request for its remaining 4,000 members - mainly Canadians and Pakistanis - to stay until September to help maintain law and order and to train a new constabulary.

UK-Argentine oil advance

Argentine and British delegations meet in Buenos Aires for two days of meetings over the Falkland Islands. They are expected to establish formally a joint commission for oil exploration and development in the south Atlantic, as envisaged in an accord last September.

NTT break-up proposal

A government advisory panel is expected to approve plans to split Nippon Telegraph and Telephone, Japan's telecommunications monopoly and the world's largest company, into one long-distance and two regional carriers. The break-up, which is fiercely resisted by NTT management and unions, would be to stimulate greater competition in the domestic telecommunications market. However, the plan may not meet government approval.

FRIDAY

EU-Asia summit opens Government leaders of the 15 nations of

the European Union and 10 Asia countries meet in Bangkok for two days of talks on trade, security and how to increase Europe's presence in Asia. The Association of Southeast Asian Nations is joined by China, Japan and South Korea. The EU would like it to be easier for European manufacturers to invest in Asia and wants to enlist Asia's co-operation in enhancing the role of the World Trade Organization. It also wants telecommunications to be liberalised and nuclear proliferation prevented. Asian countries seek better access to European markets, clear support for Chinese membership in the WTO and a European security and political presence in the region to balance US dominance.

Mastering Management

The FT's 20-part series continues in the UK edition with part 17. can take out a subscription. Contact: PO Box 384, Sutton, Surrey, SM1 4XE, UK. Tel: +44 181 770 9772, Fax: +44 181 643 7830.

FT Survey The Repo Market.

Public holidays Korea, Paraguay, Uruguay.

SATURDAY

Elections in Australia

Australians go the polls to elect a new federal parliament. The Labor party has been in power for 13 years and there are signs that voters seek a change. However, the opposition - a coalition of the conservative Liberal and National parties has offered few distinguishing policies its lead in the opinion polls, which once stood at 10 percentage points, has helver during the campaign

Forestry conference



The World Commission on Forestry and Sustainable : Development: which was set in after the Earth Summit in Brazil will hold public hearings in

Jakarta, Indonesia, involving 200 participants representing groups with diverse stakes in the world's forests (to Mar 8). The aim is to lay the groundwork for a common policy on the sustainable use and management of forests. The harmonic is that forest development and environmental preservation are compatible goals.

Rugby union

Five nations' championship: Ireland v Wales, Dublin; and Scotland v England, Edinburgh.

Public holidays

Ethiopia, Georgia, Libya, Myanmar.

SUNDAY

Aznar poised in Spain

General elections take place in Spain which are expected to bring the centre-right Popular Party to power, ending 13 years of socialist governments headed by the prime minister, Felipe González. Although opinion polls put the PP leader, José Maria Aznar, in front, his advantage only ranges between 5 and 10 percentage points. This could deny the centre-right an overall majority in parliament. Mr Aznar says Spain requires an austere, efficient and honest government to wrestle down the fiscal deficit, reduce unemployment and root out corruption from public life.

Ballot in Benin

Benin's old guard takes on a former World Bank official in its presidential election. Mathieu Kerekou, the Marxist who led the tiny west African state for 18 years until 1991, is running against the incumbent Nicephore Sogio. Mr Sogio reversed Benin's disastrous economic decline by applying the bank's structural adjustment formula. The result: GDP growth of about 6 per cent last year.

Compiled by Simon Strong. Faz: (+44) (0)171 873 8194.

Other economic news

Monday: German cost of living data this week are expected to show that inflationary pressures remained subdued this month in the west German states.
Tuesday: Economists expect

a batch of US data to show that US retail sales fell last month although consumer confidence is thought to have rebounded in February. US producer price inflation is forecast to have slowed slightly last month. Wednesday: French gross domestic product is forecast to have contracted in the fourth

quarter of last year. US consumer prices are expected to have accelerated slightly between December and January while the country's visible trade gap is thought to have widened in December. Thursday: The French unemployment rate is expected to have remained stable at close

to 12 per cent last month. UK figures should show a widening of the trade gap with the rest of the world in December, although that with countries outside the European Union is expected to have narrowed slightly last month.
Friday: Italian gross domes-

tic product is thought to have contracted in the fourth quarter of last year.

Statistics to be released this week -2,4% Dec ov'all pers'l consumer expand** -1.5% Japan Feb 96 Janen

100 20	Asiber I	ner i debermiert anve eaten	· · · · ·	÷1,076
	France	Jan consumer price Indx fni*	0.3%	0.1%
Tues	US	Jan producer price indx	0.4%	0.5%
Feb 27	<u>us</u>	Ditto ex-food & energy	0.2%	0.1%
	UŞ	Jan raball some	-0.3%	0.3%
	US	Jan retell sales ex-autos	штећ .	0.2%
	US	Feb consumer confidence	B8.D .	· 87.0
	Japan	Jan reizii sales"	2.0%	-2.5%
	Japan	Jan Industrial production†	1.0%	0.8%
Wed	US	Jan consumer price indic	0.3%	0.2%
Feb 28	US	Ditto ex-food & energy	0.2%	0.1%
	US	Dec trade: goods & services	-\$7.0bn	-\$7.1bn
	US	Ditto, exports (balance of payments)	\$67.7bn	\$87.4bm
	US	Ditto, imports (balance of payments)	\$74.9bn	\$74.4ba
•	US	Jun existing home sales	-	3.91m
	US	Jan real earnings		-0.2%
	·us	Dec business inventories	unch .	0.1%
	Japan	Jan shipments†		0.7% .
Thur	US	Feb Chicago Ass Purchasing Mgrs†		50.9%
Jan 29	US	Feb agricultural prices	-	1.9%
	N3	Initial claims w/e Feb 24	380,000	•

Jan construction orders"

Jan housing starts"

Jan ex-EC trade

		22.1		1-1 - 1 - 1
	UK	Dec global trade	-2900m	2567m-
	UK .	Jan final money data	re de prim	N/A
	UK.	Jan consumer credit	2650m	N/A
ત્તા ∙ ,	JS .	Feb Nat Assn Purchasing Mingra	46.0%	44.2%
vier 1	us .	Feb Michigan sentiment final	5 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	88.6
1 .:	U8	Feb domestic automobile wins	6.5m	8.5m
1. 11.11	US	.Feb domestic light truck sales .	6.0m	6.0m
Sec. 2	lapan	Jan unemployment rate	3.4%	3.4%
57. [3]	lepen	Jan job offers/seekers ratio	0.85	0.66
100	lapan	Feb Brik Japan Tankan Di manufact	-7.0%	-14.0%
100	lapan .	Ditto, non-manufacturing	-16.0%	-22.0%
	laper :	1996 Tankan capital spending	0.9%	3.8%
	lapen	Feb automobile selse**		6.6%
	lapan .	Feb forex reserves		-0.01%
. 1	Ж	Feb Chart Inst Purchasing Mogra		N/A"
the gritter	wsek			San
	erneny	Jain Inclustrial production: West*	0.8%	1.6%
.0	еппасу /	Jan manufacturing-output, West*	-1.0%	2.4%
	Зептивну.	Jan indust-product'n, pan-Germany	-0.4%	0.6%
6	ermany	Jan import prices	0.3%	0.3%
	Sermeny' ::	Jan import prices**	-1.1%	-0.9%
	ermany /	Feb preim cost of living, West	0.4%	0.1%
. 6	lermany	Feb prelim cost of living, West"	1.8%	1.496
y - 1	aly	Jan M2 3-month average	2.2%	21%

INTERNATIONAL MOSCOW BANK

US\$ 40,000,000 CREDIT LINE

Moscow

for financing medium and long-term investment projects

PROVIDED BY

European Bank ruction and Develo



European Bank

Mecklenbergh investment and Finance Company Limited US\$115,000,000 Series 1 Secured floating rate bonds 2004

US\$20,000,000 Series 2 Secured floating rate bonds 2004

In accordance with the terms and conditions of the bonds, the rate of

Agent: Morgan Guaranty Trust Company

JPMorgan

committees of the bonds, the nate of interest for the interest period 26 February 1896 to 27 August 1896 has been fixed at 6,25% per airman, interest payable on 27 August 1896 will be USSU, 170,83 on each USSU,000,000

November 1995

BANQUE NATIONALE

DE PARIS.
USD 158, Red, 200
Collared Fisaling Rata Notes In the 2003
Notice in hereby given that the rate of kniemes from the princip rem February 28th, 1956 to August 27th, 1956 has been fixed at 5 per cert. per annum. The coupon amounts due for this period are 1950 to 27th and 27

This period are USD 127.08 per desormer of USO 5.000 and USO 2,541.87 per di Ination of USD 100,000 and are payer the interest payment date August 27th

のでは、「一般のでは、「他のでは、」」。「他のでは、「他のでは、「他のでは、「他のでは、「他のでは、「他のでは、「他のでは、「他のでは、「他のでは、「他のでは、」」。「他のでは、「他のでは、「他のでは、」」。「他のでは、「他のでは、「他のでは、「他のでは、」」。「他のでは、「他のでは、「他のでは、」」。「他のでは、「他のでは、「他のでは、」」。「他のでは、「他のでは、「他のでは、」」。「他のでは、「他のでは、」」。「他のでは、「他のでは、」」。「他のでは、「他のでは、」」。「他のでは、「他のでは、」」。「他のでは、「他のでは、」」。「他のでは、」」。「他のでは、「他のでは、」」。「他のでは、」」。「他のでは、「他のでは、」」。」」。「他のでは、」」。」」。「他のでは、」」。「他のでは、」」。」」。「他のでは、」」。」」。「他のでは、」」。」」。「他のでは、」」。」」。「他のでは、」」。」」。「他のでは、」」。」」。「他のでは、」」。」」。「他のでは、」」。」」。「他のでは、」」。」」。「他のでは、」」。」」。「他のでは、」」。」

- 1 Putting a couple of grand in his dish(6)
 1 Weakness of one in swimming bath (5)
 2 George, confess to being an 4 ... said what ruler did was wet (6)
 8 Therefore luncheon voucher taken by Abraham is free (7)
 9 In schools it's taught a bro-
- ken leg needs support (7)
 11 Travellers can start eating in moving trains (10)
 12 Title of ballad old Penny included (4)
- 13 Which guides the local tim-ber supplier (5) 14 Grating in an Indian sink is
- half missing (8)

 16 Drink freely if left on a 15 The rest stay up. looking merry-go-round (8) embarrassed (9)
 18 Chaste maiden originally 17 Abroad. Neil managed to spoken to (5)
 20 Revise part of deed I typed 19
- 21 Lady Swan gets rise son 21 Present sent off on vessel of arranged for senior citizens Judge taking part in rare 23
- 24 Is next to enter during the commercials (7) 25 Elegant groom said why (6) 26 Hint about leading Norwe-gian's dazed state (6)

broadcast (7)

5 Book eventually finished early (5)
6 No end of unwanted leaves (7) Challenged wickedness of reckless person (9)
10 Calling for gent's leader to go sick (9)
13 Soldiers surrounded by dead men shivered and wandered around (9) sketch (7)
Telephoned job centre on iron (5)
22 Limits shooting practice here

3,8%

-£600m

MONDAY PRIZE CROSSWORD

A prize of a Pelikan New Classic 380 fountain pen for the first correct solution opened and five runnar-up prizes of 535 Pelikan vouchers will be awarded. Solutions by Thursday March 7, marked Monday Crossword 9,003 on the envelope, to the Financial Times, 1 Southwark Bridge, London SE1 9HL. Solution on Monday March 11. Please allow 28 days for delivery of

Address.

David Palmer, Bonn, Germany Brian Candy, Maidenhead Joe Fitton, Rochdale J.W. Pratt, Newcastle upon Tyne Mrs Zeyla Thompson, Bricket Wood, Herts Gerald Walsh, Preston

OFFSPRING RIDGE
U A E N A 1: 0 X
TENOR SCRIPTURE
E T II T B E G R
REASONABLE GRIC
D D N E A I
PATRIOT DIRECTS
B I C O A E

No.9,003 Set by GRIFFIN

Winners 8.991 Solution 8,991

JOTTER PAD

FINANCIAL TIMES MONDAY FEBRUARY 26 1996

Cargo Vessel Bangladesh 30 March 0800 hrs

SOME SEE A STRANDED SHIP. WE SEE IDLE ASSEMBLY LINES, VOLATILE COMMODITY MARKETS AND SHAREHOLDER LAWSUITS.

understand more kinds of risk.

Threats to a healthy bottom line come from many directions. The key to global risk management is a partner that sees beyond the obvious. What AIG offers is expertise not only in insurance, but in managing total marketplace risk, garnered during 75 years of international operation.

With offices in approximately 130 countries and jurisdictions throughout your business afloat.

If AIG helps protect you against risk better than others, it's because we the world, AIG has an unmatched knowledge of local conditions and regulations. In fact, AIG is the only worldwide insurance and financial organization with a broad range of customized services to manage all your business risks and preserve shareholder value. And we've got the highest financial ratings to back us up. So we'll be there whenever you need us. And quite possibly keep world LEADERS IN INSURANCE AND FINANCIAL SERVICES

--- 3 AFETTER 1 1 1 1 1

ිස් in Spain

73.77.2

The second secon

SOSCOW BANK

00,000

Same

nformation technology has profoundly changed the way that many business functions are managed. Now it is the turn of the corporate IT department to come under the management spotlight.

Large information systems departments are having to rethink their skills and structure in the face of new business pressures and rapid technological innovation. The degree of change "surpasses anything experienced since the first days of computerisation," according to Michael Earl, director of the Centre for Research in Information Management at the London Business

Part of the pressure to improve the management of IT comes from its chequered performance record. IT projects are infamous for technical failure, vast overspends and long delays. A study published by Chapman & Hall in 1994 found that between 30 and 40 per cent of IT projects realised no net benefits, however measured.

But the cynicism about IT's performance is tempered by a growing realisation that IT can produce impressive results, if skilfully managed. Some companies - although by no means all - have achieved marked improvements in productivity by redesigning business processes at the same time as

Moreover, many of the initial sceptics about the worth of concepts such as electronic mail and groupware have now been convinced by their ability to improve communications between different parts of the business and different time zones.

Indeed, in some quarters, the impetus for change in the systems function is less due to cynicism about its performance than renewed enthusiasm about IT. The widespread fascination with the Internet and its potential to reach new customers has opened the eyes of managers to the strate-gic potential of IT in sectors ranging from retail to banking.

Working in IT is possibly more rewarding and challenging than it has ever been. But IT specialists are faced with a daunting set of tasks, as they try to meet demands.

Some of these changing demands come from the breakneck pace of innovation in the IT industry and the accompanying changes in the industry's structure. For IT specialists, that means having to deal with more complex systems and more computer suppliers; spending more time in updating skills and putting more effort into forecast-ing, scanning and evaluating technologies.

Technological improvements and the falling costs of processing power are not unmit-igated blessings for IT departments. The difficulty is that companies are rarely able to replace their "legacy" systems - the old software and hardware portfolios built up over decades - with new and more flexible

The falling costs of IT often leave systems staff grappling with additional complexity, as they are asked to maintain the personal computers installed by department managers. Moreover, the rapid fluctuations in the fortunes of suppliers presents the risk that a corporate customer will be stranded with "unsupported" technology that is difficult to maintain or update.

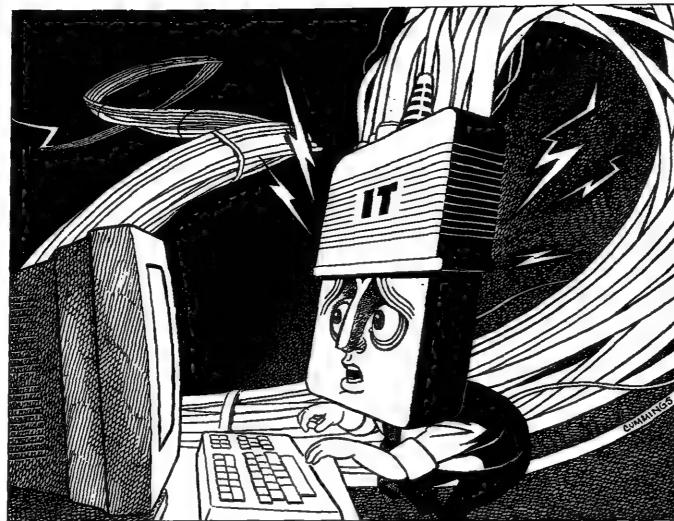
But even when systems staff are able to keep up with technological change, they are finding that technical skills are no longer enough to be a good IT manager at senior levels. Increasingly, they are required to understand how IT adds value to the business, according to Simon Farmbrough, a partner of Boston Consulting Group. "For example, the question is not 'Have I put everyone on Windows 95?'. It is 'How does that benefit the business?"." he says.

But calculating the value of an IT investment is easier said than done. IT evaluation has proved difficult and controversial, since easily anticipated.

Forecasting the impact of new technology can pose enormous difficulties. In some cases, an innovative approach to technolpgy, together with creative business think-

If information technology managers are to retain influence they must find a way of adding value, says Vanessa Houlder

The changing face of corporate IT



ing, has created a powerful business advan-

But in many other cases, the belief that an IT project will bestow competitive advantage proves to be wishful thinking. Although a technological investment may appear to have strategic purpose, it often proves difficult to translate the idea into

The gap between expectations and reality is often particularly wide when the original vision for the project is provided by the chief executive. Expectations on the part of CEOs are often excessive, says Stephen Rei-ter of AT Kearney, the consultancy. "They [CEOs] keep reading things being accomplished by other companies, but there is a great deal of misunderstanding about what it took to accomplish them," he says.

Reiter's view of the difficult relationship between chief executives and chief informa-tion officers is widely shared by IT specialists. Charles Wang, chairman of Computer Associates, the US software company. argues that the strained, unproductive partof most of the frustration over technology. "CEOs love what they have been promised; they hate what they have been delivered,"

non. When Computer Associates commissioned a UK survey of attitudes between technology executives and their "business" counterparts in finance, distribution, marketing, operations, R&D and personnel, it found evidence of traditional stereotypes.

For instance, most business executives thought that IT managers talked in technical terms and were carried away with the technology. A majority of IT managers thought that business managers were uncomfortable with IT terminology and insecure about asking technical questions.

But the relationship between technology executives and chief executives is most troubled in the US. Reiter says that, on average, a CIO stays in his job for just 2.3 ears. Research by Deloitte & Touche found. that around one-sixth of North American companies replaced their CIO in a single vear. Of the CIOs who departed, a third or more were fired.

The hire-and-fire treatment of ClOs may make it harder for IT departments of US organisations to achieve results, according to consultants at Boston Consulting Group. They have recently carried out an international study comparing the performance of the IT management within insurance companies. It found that the US insurers perranging from identifying business opportu-nities to ensuring that business benefits are

"IT management in the US is extremely goal oriented. If things do not get better, they [the managers] are out," says Simon Bennett of Boston Consulting Group. "It takes longer than American CEOs allow to change the way those large organisations manage their IT.

By contrast, Sun Alliance of the UK. which was the best performing IT function they studied, took a relatively long-term approach to building up strong relationships between IT and the business. Sun Alliance has taken a number of steps

to integrate IT staff more closely with the other parts of its business. Recently, it has moved most of its 600 systems staff to work within the business units. We wanted to get the IT function closer

to the divisions," says Tony Latham, managing director of general insurance at Sun Alliance. He says that he wants IT recruits who have done an IT apprenticeship".

Sun Alliance also has a policy of rotating managers through the IT departments, as part of a management development process.
"We have a much higher IT literacy than is usual at the top level," says Ian Hillan, divisional manager (systems).

By doing this, Sun Alliance has come close to realising the idea of "hybrid managers", a term that became popular in the early 1990s to describe individuals who combine computer literacy with business acu-men and a flair for management. This combination of skills, it was argued, would propel these individuals on an accelerated path to the top.

Some examples of these successful hybrids exist. For example, Eugene Lockbart, a former information technology consultant, is now chief executive of Master-Card. But generally, IT shows little sign of becoming a fast track to senior positions. "IT will be a way to the top, but I don't think it will be as frequent or direct a path as provided by some of the other functions." says Rae Sedel of Russell Reynolds, the executive search company.

Some companies have interpreted the thinking behind hybrid managers in a different way: they have rotated an executive from another part of the business, such as finance, into the top IT job. This tactic rarely works, according to Reiter. "You still need people who are conversant with technology. They need to understand the muances and have control," he says.

This point is backed up by research by Michael Earl and David Feeny, who is direc-tor of the Oxford Institute of Information Management at Templeton college. They found that the CIOs who added most value invariably came from the systems function; indeed, most have never had a job outside

The research shows that it is those who have been transplanted from other areas of the business who have struggled, uncomfortable with the technology, unclear of their careers, and typically equipped to operate as forceful managers, rather than as bridge-builders and facilitators."

This "bridge-building" ability is an important factor in the success of some IT directors because it underpins several other facets of good IT management. CIOs who build good relationships with other executives tend to have a better understanding of the business and so find it easier to establish priorities and concentrate their efforts when it comes to building systems.

Conversely, if an IT department fails to build bridges and come to a joint agreement about priorities with other departments, it may have difficulty justifying its role. Contracting out IT to specialist companies has become a popular way of cutting costs and dealing with what is seen as a frustrating, non-core business.

Outsourcing is not the only factor that could weaken the influence of IT staff. A substantial shift in the relationship between users and specialists has been reported by organisations belonging to The Centre for Research in Information Management at London Business School and by the Centre for Information Systems Research at the Massachusetts Institute of

Technology.

This shift is due to the emergence of what Michael Earl describes as the "power user", somebody capable of building their own models, displays and routines on PCs. These technologically sophisticated users may know more about the new world of IT such as the Internet and the World Wide
Web - than the IT specialists. Earl quotes
one CIO as saying: "The users are now the
innovators. We are the sweepers up."

This trend, which reinforces the extent to which attitudes to IT are changing, presents IT managers with both opportunities and threats. It underlines the increasingly essential role of IT skills in companies where IT is playing growing part in business strategy.

But as computer literacy becomes more commonplace, IT specialists will have no monopoly over these skills. If they are to retain their influence, they will have to demonstrate that IT can add value to the

Andersen leads the consulting bonanza

anagement consultants do not always practite what they preach, Yet financial results from Andersen Consulting since its operational split from Arthur Andersen in 1989 look like a powerful endorsement of the

current fashion to demerge.
Six years ago the consulting arm
was a \$1bn (2500m) business, very
much under the direction and. control of its older and better-known audit "consin". Later today, however, Andersen Consulting will announce that 1985 worldwide revenues totalled \$4.22bn, a 22 per cent increase one withe 1994 numbers and more than four times higher than before it set out on its own.

HAPO So Yo Carso

y Ar kler

174

 $s_{\Xi_{0}^{\prime}(\Xi)},$

Such growth from the undisputed market leader is striking evidence of the strong demand for management consulting in most leading economies at the moment Generalisations are dangerous in such a fragmented industry, but one leading UK-based firm privately admitted last week that it is turning business away.

Like most of his rivals George T. Shaheen, Andersen's worldwide. managing partner, is sensitive to jibes about downstring. "We don't view ourselves as beadslashers," he said in an interview last week. "In any case I think the emphasis today is on working "smarter", not on working with fewer people. Andersen Consulting is succeeding because we are delivering value to our clients through our people and our global reservoir of knowledge. Shaheen lists customer

satisfaction, supply chain integration and business processes as three top client listies of the moment. A breakdown of the 1995 figures by industry group shows the sharpest growth in communications (including telecommunications) - revenue up 57 per cent to \$573m - with industrial products recording a 53

per cent jump to \$487m. · Boasting a worldwide payroll of 38,000 people and almost 1,000 partners. Andersen stands out from the consulting pack by virtue of its sheer size. The firm plans to hire 8,700 recruits this year.

Its position and image in the industry, though, also stem from aggressive marketing and advertising with global expenditure on all forms of promotion exceeding \$25m per annum. "We have changed the landscape of how professional service firms communicate with the market," claims Shaheen.

The Andersen chief, moreover, foresees little let-up in the rate of expansion and predicts another "robust" year of 20 per cent " " " war revenue growth. At a meeting in Mexico City last week of the firm's global management council (comprising the top 50 partners) his advice to colleagues was "to keep nimble, be bold and keep adding market place value". Competition. he concedes, is tough from the likes of hardware manufacturers such as IBM "who now realise that the power in technology is not the technology itself but how it is put

to work in the enterprise". Shaheen also cites the growing industry trend towards "gain sharing" - the tendency for fees to be linked, in part at least, to the proven results of a consulting project. "increasingly clients are showing interest in this approach," he observes. "The market place

Tim Dickson

The danger of long-distance shopping

s I stood in John Lewis at and a bit fatter, doing exactly the the weekend waiting to pay for some rufflette tape I noticed a young man in leans who appeared to be having an involved conversation with a rack of curtain rails. On closer inspection he turned out to be talking into an ultra-slimline mobile phone. "I can't see exactly the one you want," he was saying. "They've got lots with remote controls." This man was clearly at the lead-

ing edge of shopping technology. The hand that was not clutching the mobile was flitting over a large selection of little black control boxes which, at the touch of a button, close your curtains for you. But this did not seem to be doing much for his Saturday morning. "I don't think they've got it. Look. I'm telling you. IT'S NOT HERE." He stuffed the phone into the pocket of his leather jacket and walked off.

I thought of him again that very afternoon, when I was wheeling my trolley around the supermarket. Still on the subject of shopping, Here was another man, a bit older why is it that in the ultra-flexible,

same thing. If anything, he seemed to be having an even more stressful time. I first came upon him at the chilled counter. The deep dish chicken lasagne is £2.59...i can't see a price on the Cumberland Pie." I heard him saying as I threw a few ready-made meals into my trolley and wheeled on. By the time I had reached the checkout be had progressed only a few yards to the eggs and was debating egg sizes and

barn fresh versus free range. New technology is a dangerous thing when it gets into the wrong hands. Sometimes it may save labour, but as often as not it does the reverse. Shop on your own, or shop together if you must, but to shop long distance makes the process a nightmare for everyone. Except, of course, for Vodafone, Mercury, Orange, Celinet etc.



Lucy Kellaway

just-in-time, customer-is-king days it is impossible to buy a pair of children's gloves in mid February? It may be snowing outside, but as far as retailers are concerned it is spring, summer even. Could it be that our sophisticated shops are missing a trick? Never mind the electronic data interchange with suppliers, never mind the efficient consumer response and all the other jargon about streamlining the supply chain. If I were M&S. The Gap, Mothercare, Next etc I would look out the window, or better still phone up the Met Office and order a few scarves and mittens to sit alongside the shorts and bikinis.

I have just been sent an invitation to attend a conference called "Hiring and Firing Senior Executives how to handle sensitive, complex and high value disputes concerning dismissed executives". The programme looks unmissable, complete with role plays of the dismissal interview and analysis of the precise determination of the severance package, the tax implications, the announcement to the Stock Exchange and so on. Most companies could learn a good deal from this. But one company that in particular might take heed is the Independent newspaper, which has recently done a very un-model sacking of its editor. But then evidently it thinks otherwise. It is sponsoring

One day last week when there was the thinnest powdering of snow on the ground - just enough to bring British Rail to a near standstill - I found myself jammed into a train with not enough elbow room to open the FT. I tried to read my neighbour's Guardian over his shoulder but he was turning the pages too quickly. That is, until he came to the double-page Benetton ad. There he stopped and stared, and half the compartment did likewise. The picture showed a group of beautiful smiling men and women in little lovey-dovey clusters. What caught my attention was not just the "clever" Benetton gimmick of making them wear straitjackets over their Benetton jeans. It was the unfortunate resemblance to

which I had seen on the telly the previous night. There Jackson had tastelessly posed as God in a long white robe surrounded by children. and here was Luciano Benetton also clad in white standing barefoot on a box with his underlings leaning their cheeks against his chest in poses of loving adoration. Part of me felt like baring my

bottom as Jarvis Cocker did at the Brit awards. But good sense prevailed; instead there is an obvious lesson here that I am surprised other companies have not followed Why haven't they copied this exhibitionist treatment and learnt how to mesmerise a whole train compartment themselves? Surely a similar group of ICI or British Gas executives and employees could also be photographed in a stunning but unsettling tableau of togetherness.

But as a picture came to my mind of Richard Giordano and Cedric Brown standing barefoot in straitjackets cuddling their underlings, I started to have second thoughts ...

seems to be a believer.

SAMSUNG, SIEMENS & FUJITSU Share something special

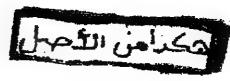
More than 380 international companies have chosen to invest £6billion in the North of England - these include '50 Fortune 500' companies and one of the largest concentrations of Asia - Pacific manufacturing investment in

We pride ourselves on our attention to detail and have provided a level of high quality support to hundreds of manufacturing and services investment: projects that we believe is second to none.

No matter how large or small the project is, if your company is considering. expanding in Europe contact us - our track record speaks for itself.



Tokyo Tel: 813 3450 2791 Fax: 813 3450 2793 + Seoul Tel: 92 598 6071 Fax: 92 598 60773 + Chicago: Tel 708 593 6020 Fax: 708 593 7127 + Head Office: Newcastle upon Tyne (11 44 191) 261 0026 Fax: (11 44 191) 233 9069



With one eye on the future

t 68 years old most people would have retirement in their sights. Not so Donald Jacobs, dear of the Kellogs graduate school of management at Northwestern University, just outside Chicago. For him it is still business as

C 4 14 70 1994

s si imperial la apjec comban in

and operating prein

CLOUDE 45 per mare

LeBor and Carl

corporate raides

The prest to of the

EJ Repaolds Tobas

Felived will ton B

iberenoiders of RE

ding plans for the Mora, one of Reserv

Tought . an British Ever Beng

Teles, and London

Codit believes de

52:20 basiness a me

5:33% # 656 Sundig

inspires visited and

A SUISTING

and He revision

The Party leading

. to and markets.

ie fie (Tables probles

E. E. Sere Erens

Wie much" for MR

ille 10 supit Remails

nun to muse its **case**

Later than inflow

A CONTRACTOR TOO

at little cause of the p

ः े : ≘िर्ध्वयद्यंख्यं ही

abel predacts

-- --- watagement

と大さNA 放卵の壁

ungs at imtenzi Peb

ong a made state and gr

and invested

product portlob

e in companies to los

Control of the past

nighest leadership in

tie amendan Brand

general areas in the control of the

area Trifford est

A rice that company the

the manual

= tuny, the despute

..... Responds a

200- 157 922 of **198**

~ 🚉 अवस्य सिंग्स क्षेत्री

· ... a sileagues hatta

and country has

. a long de

ing of the state o

The second

THE LEE

Harman Market Ma

فالشورق لا ت

er of products.

: US leveraged bayer

"It's very hard to leave a job you enjoy so much," miles America's "dean of deans", a tile he has earned over 20 years in the lob. During that time he has transformed Kellogg from a run-of-the mill business school into one of America's filest. He was one of the first deans to introduce a dedicated residential charte for executive courses and fostered the idea of teamworking at a tine when business study was largely seen as a solitary

activity.

He is the longes serving dean "by a long shot" of any if the leading American business schols. "They forgot to fire me and I forgit to go," he jokes.

At a time when the tenure of many US deans is on he wane, Jacobs is relaxed about hisposition. Most of his peers, he says, ar under tremendous pressure from their governors and advisers if the schools do not perform well in the busiless school rankings. Consistently appearing at the top of the lists – the school was ranked number two byBusinessWeek in its 1994 survey an was top of the list two years earlir - Jacobs claims to have only one problem - "having 6,000 more appliants than I need for



Douald Jacobs, America's 'dean of deans', is hoping to be in the classroom next year teaching European executives

the 490 places on my MBA course". A tea-drinking vegetarian who swims every day, Jacobs is now geared up for his latest venture - an MBA course for experienced executives in Europe, to be run as a joint venture with IAE (Institut d'Administration des Enterprises) in Aix-en-Provence. France.

The two-year course is aimed at executives with at least 10 years'

experience and each year they will study for three weeks in Aix-en-Provence and one week at the Kellogg campus at Evanston. Illinois, where European students will mix with their US counterparts. There will also be weekend study in Brussels, looking at European issues such as lobbying. The course will be in English with

50 per cent of the course run by Kell-

ogg staff, 50 per cent by IAE staff.

Each applicant will be interviewed and 20 to 30 accepted for the first course in January 1997 - there will be 60 on subsequent courses. "They will be from many different background and industries," says Olivier Tabatoni, associate dean at IAB.

Executives earn a double MBA.

Tabatoni and Jacobs believe the Kellogg-Aix executive MBA programme could not have happened 10 years ago because faculty did not have the appropriate attitude to glo-balisation nor experience in teaching executives. "Now we have a faculty that knows how to work with executives. We do it all year round," says Jacobs. At any one time Kellogg has more than 400 students studying weekend courses and all Kellogg's executive education courses are sold out for the whole of 1996 and 1997.

Jacobs hopes that he will be one of the instructors on the Kellogg-Aix executive MBA, lecturing in corporate governance - if his teaching is med up to scratch. Both Kellogg and IAE operate a system of student assessment of faculty teaching skills, a system Jacobs introduced at Kellogg to encourage his research-orientate staff to improve their teaching skills. Academics, he points out, can be particularly competitive.

He acknowledges that student com ments are important to him, too. This term he is teaching two courses at Kellogg - half the workload required from the full-time teaching staff. The first is in corporate governance, the second a group-based project on the European single currency.

Students are split into a number of groups with two groups representing each European country. Each group then prepares a presentation saying why the single currency would be good or bad for their country.

I think I'm going to get a good grade on this one," he reports.

Application beats aura

Della Bradshaw investigates the qualities of a successful dean

bouses under increasing pressure corporations alike, what is it that makes a successful dean? The answer, according to research conducted by the Lancaster University Management School, is twofold: the best deans are those who listen to their

faculty and students; and they are those who work hard. "The most successful are those that have a close understanding of their own school," says Allan Bolton, whool wintinistrator at Lancaster. "They are those who said they spent the first six months to a year after their appointment listening to

Many outside appointments are "shooting stars" who are keen to impress the business world but are frequently out of touch with their own faculty,

their faculty and students.

The other ingredient is simply hard work. Those deans who achieve most in the fundraising stakes, for example, put their suc down to application rather

The Lancaster research, to be published shortly, is based on interviews with 17 busines school deans, 10 in the US and seven in Europe. The schools average set of accredited institutions, including the University of Chicago, IMD, the London Business School and Kellogg.

Schools on both sides of the Atlantic had similar attitudes to the organisation but they differed in response to their students, and in particular alumni, according to the research. "In the lik we still think of alamni as the people who left last year," says Bolton, In the US alumni are féted as a future source of revenue and business contacts for the school.

Bolton concludes that the real headache for deans on both sides of the Atlantic is how to implement their vision in an academic world where inaction is andomic, "The denos all wanted to be champions of change and that is never a very comfortable role to perform in academic circles."

Conferences & Exhibitions

MARCH 6-7 So You Want T Buy & Cartomir/Convyor

Labeller/Shringerapper
Seminars designs to bring packaging machinery specific up to due on the 'state of the art' in a rate of specific types of equipment. Sessis cover different design approaches analysys to which various machine types on out their function.

Receives and sestimation from: Brochure and restration Beryl Name, PPIA Ltd

Tel: 0181 681 866 or Feet 0181 681 1641 NORTHAMPTON

Identifyingi Controlling Risk This course designed to provide your business siff with the essential understanding of the Risk inherent in the cesses puired to support trading businesses pecialists in any business support rolesses have full knowledge of the completeroctes and the impact of their on others toyolved in the Risk and control functions. £445 +

VAT 2 day Contact: IL/Nicola Blacks Tel: 0171/06-0084/600-2123 Per: 017,600-3751

LONDON

MARG 748 Interrediate Swaps This came is designed for Gradustes/new Tradespr Traders moving into Derivatives Tradia Covering: • Types • Pricing & Question • Market Terminology • Con. Origina Ofeneric Swape • Non-Generic hortising Swaps . Reversals ellations) Currency Swaps . Asset Swe @ Generic Asset Swaps @ Risks & Heston @ Arbitrage (using Swaps), Case

such throughout £550 + VAT 2 days.
Coloct: TFL/Nicols Blackman 140171 606 0084/600 2123 FE 0171 600 3751

ARCH 7-8 Inning Development ank Bids rwo-day exacutive level seminar on

ing MBD-financed business The S30+ Billion/Year Market - Sura Planning - Organizing to Bid and Win Effective Bid Marketing - Solving Bid oblems Changing & Challenging Bids. Contact: Development Bank Assoc. Seminar Program, Washington DC. Fee: 202 857-0385/Tel 202 785-2971 Maylair Intercontinental, LONDON

MARCH 8 Budgeting for Managers One day, in-depth training pr

One day, in-depth training programme shows managers with budgeting confidence and use them to directly rmancu. 1 day. £\$65. Contact: Invient Training Tel: 0181 851 4044 Fax: 0181 857 2443

LONDON MARCH 8

UK Housing Finance - Policy, Lenders & The Market
'TR Ltd., KPMG and CSFI pp yely conference on a fast changing industry. John Massey, Deputy Chairman, Council of Mortgage Lenders, John McKean the world authority on information based compension, and Nick Rayastord MP are among the spea

ec Cityfonin Lai Tel: 01225 466744 Pax; 01224 442903 LONDON **MARCH 13-14**

Kagan's Cable/Telephony Competition and Finance Join leading financial and operating executives for two full days of in-depth discussion on cable and telephony growth opportunities, financing and deal making. opportunities, competition lopes in marketing, Moderated by Paul Kagan.

Bayutod Kagan World Tel: 0171 371 8880 Page 071 371 8715

LONDON d Strategies A unique terminar for non-electrive directors, venture capitalism and inspational franciers

providing an insight into the highly complex subject. The programmeleads participants drough the diverse issues avoived in corporate nal inner implementation ancial restructuring, with guest at from Howel Dyer, Hamleys & and a financial restor Ason Holdings Pic and Distract States, LBS. Commer: Julie Hough, Moint & Touche. Tel: 0171 303 6664 Pp: 0171 303 5927

LONDON

The Foreign Exchange Market: Surviving the Revolution Major interminant conference focusing a

Major international conteness: towards the some of the major changes which will affect the Fix professional in the next few years. In FX professional in the next few years. In particular the conference will look at two oreas: the work currently being understan to make European Monetary Union a practical proposition and secondly the changing structure of the fc market. Organised by Dow Jones Telerate in association with Cognotae Acceptation and Technical Data. ing and Technical Data. Contact: Ariclic Sevens, Dow Jones Telerate Tel: 0171 832 9737 Fex: 0171 353 2791

MARCH 18 to 21

Corporate Credit Analysis This course is for Lending Officers, Credit Analysis, Rink Managers, Bank Inspectors, Internal Auditors & Credit Managers. Covering: • Environmental Analysis · Lodustry Stability & Competitive Position • Management Assessment Financial Analysis @ Cash Flow Analysis · Facility Structure · Risk Rating Systems · How to Present Credits Problem Louns, £950 + VAT 4 days. Course: TFL/Nicola Blac Tel: 0171 606 0084/600 2123

LONDON MARCH 19 International Short-term &

Page 0171 600 3751

Commuter Assignments ements for experietes and employees with international experience is growing. Alternatives to traditional expetriation include the use of short-term and commo ents. This conference presents new rescurch and case studies of company ractice on these forms of international

Contact: Nicola Martin, CEI Conference Tel: 0171 379 7400 Pat: 0171 497 3646 LONDON

MARCH 19

minar: For British importers of Moroccan Quality Produce Maraccan producers of fresh fruit and tables, canned veg. canned fish, cut flowers, will explain the trade opportunities arising from the EU and Morocco reads preement. Excellent opportunity for righ imports to meet producers and do

> Tel: 0171 235 4363 Pax: 0171 396 4499 LONDON

MARCH 19-21 Human Resource Development

Week 1996
Meeting the Training Challenge
Finnly established as the premier even for
everyone involved in training and
development - the conference provides as
unrivalled opportunity to explore the very
latest trends. World class speakers,
illuminating case studies and examples of
industry best practice combine to provide
fively debate, creative solutions and a unique
consequint to network.

opportunity to network.

Contact: Institute of Personnel and
Development Tel: 0181 263 3434 Par: 0181 263 3366 . WEMBLEY

MARCH 21 & 22 Investment Climate in Eastern Europe and FSU

Econ and DRI/McGraw-Hill assess the at climate in Eastern Europe and the FSU, including energy and automotive industry analysis. Seminar features Boris Pederov, Gyorgy Suranyi and Christopher Cvilc. Contact Corinne Redonner in Cvilc. Con London 0181 545 6212

Park Lane Hotel, LONDON MARCH 21 & 22

FT WORLD STEEL - Towards a Truly Global Industry? The second World Steel conference, ed by FT Conferences in association with CRU International Limited, will discuss the latest structural developments sector and consider supply, deman trade issues. These themes will be addressed from both user's and producer's perspectives. Enquiries: FT Con

Tel: 0171 896 2626 Fax: 0171 896 2697 LONDON

MARCH 26 & 27 Leveraging Knowledge for

Sustainable Advantage A two-thy conference exploring ways in which communies can capture, there and exploit their organisational knowledge for breakthroughs in mance. Practical strategics for converting individual know-how into an

Contact Business Intelligence Tel: 0181 543 6565 Fex: 0181 544 9020 MARCH 26-27

Lateral Thinking and Serious Creativity for Managem Created by Edward de Boso ented by: Chuck Dymer, Lett a Eireale Unione Etran entithicking patterns a Generate (rest) concepts o Keep up with changes a Be more creative at the street Contact: Juliet Muchenje, Mond International Tel: 0181-871 2546

MARCH 28

InterXchange 96 Strategic Investment Management Forum Discuss with industry experts the issues that will shape the investment management intensive day exantines: • Strategic drive for business growth . Impact on UK managers of emerging European/global legislation • The integrated investment market • opportunities & risks • Statement impact of new technologies on industry structure & operations. Sponsored by: Royal Bank of Scotland, S.W.L.R.T. Chymnas Connect: Carborine Wyville, ANR Tel: 0181 947 2684 Paut 0181 946 3195

MARCH 28

Major Projects and airport.

Connect Isnet Rose, BASEA mi: 01202 392066 fax: 01202 304791

MARCH 29 ection, Recruitment and reparation for international

ompany, is vital if you want to succeed ally and avoid the high cost of a falled statement. What can companies do? sp-to-date with current develop selecting, recruiting and preparing your experience for international assignment. Contact: Starco Brown, ECA ins London, Tel: 0171 351 5000

Fax: 0171 351 9396/352 068 Programme details: Arab-British Chamber APRIL 2

Fablan Business Seminar Business & The Social Chapter Speakers: Robia Cook MP, Michael Meacher MP, Wayne David MEP, Bridget Rosewell (Buciness Strategies). Bol Bischoff (Boss Group), John Cridland (CBD, John Monks (TUC), Christopher Sminforth (Guinness Mahon).

Details & booking call Neil Stewart

APRIL 15-17

complex area. • Background/Develop of Derivatives Market • Currency/In FRAs. 3 Days. £795 Tel: 0171 329 0595 Fax: 0171 329 3833

LONDON APRIL 17 - 18 egles & Techniques for

Strangues to reciningtees for Business Continuity Planning This major conference from Servivel The Business Continuity Group will address issues of interest to all involved in building greater business resilience. Streams include: "Developments in IT Disasser-Developments." "Brook Express in Continence. Recovery", "People Factors in Contingency Planning", Continumications and Networks Recovery Strategies" and "Software in

APRIL 22 - 24

LONDON

lisk to the Chausel Turnel, the AlpTransit rail tunnels, the expansion of Zurich and Copenhagen sirpons, the Oresand bridge

HEATHROW

notice ross, attention, imperial College and others discuss the applications of Fazry Logic & Neural Networks. A UNICOM business seminar. For prompt service. Tel: 01895 256484 Faz: 01895 813095 essail: john@micom.co.uk.

Tel: 0171 222 1280 Page 0171 222 1278

Introduction to Derivatives It is vital for bunkers at the leading edge to be fully sequeinted with the risks and

rewards of new and sophisticated market instruments. This course provides an excellent practical introduction to this Rate Derivatives: @ OTC vs Exchange

Continuity Planning*.
Connect: Liz Powell, Survivel
Tel: 0181 874 6266 Fax: 0181 874 6446 HEATHROW, LONDON

APRIL 22-23 introduction to Lessing

A course designed for new entrums to the leating industry or for general financial practitioners who need to be aware of the basics of off balance sheet, tax efficient, attractures. The Allowances and Corporation Tax; Documenting and According for Leaters 6-HP. Leater ming for Leases; . HP, Lease is, Contract Rire Products; 2 Days. £595

Tel: 017) 329 0595 Fee: 0171 329 3853 LONDON KPING Fraud Action

RPMS Fraud Action uses proven video and workshop acclaniques to bring fraud risk - and its management - to life. In small teams, you will identify key risks, probe and investigate. And the whole programme is based around Action, beloing you to develop action plans that will work in your organisation. Held at an award-winning management training course, 30 mins management existing course, 30 mins Connect for Huntingdon, David Davies KPMG Ferensic Accounding Tel: 0171 311 8584 Pax: 0171 311 8996 LONDON

APRIL 22-26

Information Systems Solutions The effective exploitation of data together with the officient configuration of data systems are the keys to a successful business. UNICOM SEMINARS presents a multi-UNICORA SEMINARS processa a multi-module event to review the latest in Data Warchousing/Data Mining, Client Server and EIS & OLAP, Pick & mix from a range of broadbrush to specialist seminars designed for business managers. For prompt service: Tel: 01895 256484 Fac: 01895 813095

APRIL 23 & 24

Europe's leading annual conference and exhibition on the use of non-financial riomance measures for driving business augy. Covering the Balanced Business orecard, EFQM. Intellectual capital.

Tel: 0181-\$43 6565 Fax: 0181-544 9020 **APRIL 25-26**

ligent Systems for Pinence and Commerce Find out about the electronic decision Find out about the electronic decision making that shapes the financial markets. Risk management relies on it. In an introduction to Decision Technologies and Artificial Intelligence in Finance & Commerce: Barclays Bank, Logica, Dainter-Benz, Neural Technologies, Touche Ross, MathSoft, Imperial College

LONDON JUNE 10-14

FIA/POA International Derivatives Mark Annual Derivatives Conference and Exhibition exchange views on the linest luserantio business, regulation and compilar echnology and clearing/s का स्ट्रीई स्टेक Connect: Putures Industry Ass Tel: 001 202 466 5460

Paragres and Options Associated: 44 0171 265 2154/2137 LONDON JUNE 17 & 18

FT WORLD ALUMINIUM -Strategies for a Global Market
This conference, arranged with CRU
International, will address the key themes
associated with building global capability in
the world attantation industry: identifying
new areas of demand; making correct siting
decisions for future caractic increases: new areas of densard; making or decisions for future capacity

Enquiries: FT Contentions Tel: 0171 896 2626 Fee: 0171 896 2697 LONDON The FX Market: Trends in profitability and figuridity Regard conference on the impact of statement changes in the foreign exchange statet on liquidity and profesibility and the absurative figuidity and profesbility and the abstractive business strategies adopted by busins. Issues include amenges to capture figuidity through globullantion; fragmentation of spot FX by electronic brothing and the shift is the business of power towards explinitizated usus. Addresses by Julian Stramonds (Calbanta, Depaty Governor of Bank of England and other leading questioners, Christoper Tops Lodent.

Connect Departs Manuforing Research

puctificness. Chairmer: Tops Lodiest. Countrie: Downs Marphy at Ressens INTERNATIONAL MARCH 17-22

Natural Gas: The Commercial & Political Challenges A concentrated free day academ/workshop A concentrate free-my acameratory, which explores the one consucreint gas concepts and examines their political content. The content is designed for all those with carries or famor, management responsibility in or conversed with the natural gas business, both in compenies and approximately designed. povernment or For further inf

ner, The Alphanesia Gu Tel: +44 171 613 0087 Fax: +44 171 613 0094 Velbert, GERMANY

The Oxford XOVANCED MANAGEMENT PROGRAMME Setting the Standard for Success

> Europe's most senior executive programme, AMP has empowered a generation of business leaders through its Justin of two outstanding intellectual traditions - the Burrace case history and the Oxford tutorial.

AMP brings together top executives from around the world

T to participate in a global overview of the business enterprise

Maximises individual involvement and interaction with a leading international faculty through its learning approach

 Replenishes participants' intellectual capital through briefings from prominent Oxford scientists and thinkers.

As ideal for the younger fast track talent as for the senior executive facing new challenges, AMP will provide a proven launch pad for your - and your organisation's - future success.

Dates: 23 June - 20 July 1996 or 5 January - 1 February 1997

To book remaining places in 1996 or reserve for 1997 contact Caroline Moody, Templeton College, Oxford OX1 5NY, United Kingdom.

Tel: +44 (0)1865 735422 Fax: +44 (0)1865 736374 \$



Savoir - Faire in 157 Languages, Training & Translations - service by Professionals. Nationally available.

Corporate in-house / residential courses. W/end / full week intensive 1:1 A level refreshers Devon.

01803 866987 / Fax 862096

PRAGUE

Forum 96

Three days conference in which the Czech and Slovak Prime ministers, Mr. Michel Canadeasus - Managing Director of IMF, Bundesing President, EBRD Vice-President, OECD Deputy Secretary General, several central burders including Shouldt Al-Sabab of Karwaix and Sergei Dubinia of Russia, plas pore than 300 top bankets and Femociest from (1995) 19 countries discust Europe and Global Figureial World Challenges of the

Contract: Tel: +42 2 55 14 85 APRIL 3 & 4

Central & Eastern European Power Industry Forum The latest and future develelectricity industry in Central and Eastern Emoce. A Forest on ownership lastics, privatisation, creative project flux competition and conpension opports Fligh level. Commet Pension C&E Tel: 31-30-2650963 Fax: 31-30-2650928

St Poursborg, RUSSIA

SEPTEMBER 30 - OCTOBER 4 Agroprodmesh 96

Agricultural Machines and Equipment for the Agroindustry. The exhibition will take place in Russia's largest modern fairgrounds "Krasnaya Pressya', Moscow, and will be organ by 'Exponents, ZAO'. Fax: 007 093/205 60 55

Tel: 255 37 59 MARCH 12 & 13 Investing in Ukrains

Speakers include Roman Shpek, Deputy Prime Minister for the Economy and Vilson Pynzenyk, Minister for Economic Reform ples 8 other senior Government officials and tomy top western companies. The confirm is appresented by IRX Oil & Gas, Kines, EPIC. lesson & Knull Jhoseb Sections. Country Mr Omer Abases, Euroforum

16出+44 171 878 6930 Page: +44 171 878 6887

MOSCOW

With President Kuchma in attendance

KIEV

The Financial Times plans to publish a Survey on Executive Education >= ₹ A 1 on Tuesday, March 12.

序】 (1967年) 1967年 (1967年)

Email: knight r@odl.temp.ox.ac.uk

Internet: http://www.viempleton.ox.ac.uk

For an editorial synopsis and information on advertising opportunities

Karl Loynton Tel: 0171 873 4874, Fex: 0171 873 3064



FINANCIAL TIMES CONFERENCES & EXHIBITIONS DIARY APPEARS EVERY MONDAY

> listing the latest Conferences and Exhibitions in the UK and Abroad. Promote your conference to an unrivalled business audience

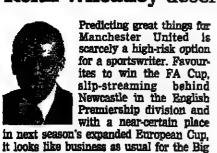
by using this section. For further information please contact:

Lucy Batizovszky Tel: 0171 873 3507 Fax: 0171 873 3098

TO ADVERTISE IN THIS SECTION PLEASE CALL LUCY BATIZOVSZKY ON 0171-873 3507

The Big Red Steamroller

Keith Wheatley describes Manchester United's brand power



Red Steamroller. Ah, you may think, Wheatley has heard a whisper from the Old Trafford boardroom and is forecasting good news in next

month's interim results. Not quite, although chairman Sir Roland Smith may well have news to match last year's doubling of annual profits to

Recent announcements from United have seen the company's share price leap 30 per cent in only two weeks. At a closing price on Friday of 245p, the club was valued just short of £150m.

The first piece of news was the announcement of a new kit and merchandising deal with Umbro worth an estimated £60m during the next six years. That deal alone more than doubles the previous biggest comparable contract in British football, that between Liverpool and Recook

Even more significant than the money itself was the degree to which Umbro sought a renewal of its contract with United, even though the existing arrangement had two years to run.

In fact. Nike, the American sportswear glant, was making the running with some big numbers. It wants very much to be an every piece of Old Trafford minutiae, from important player in English soccer.

"We considered three options," says Martin Edwards, chairman of United. "One was a major multi-brand sports goods manufacturer. We also considered doing the operation ourselves and we looked at Umbro, who are football specialists. They have also proved to us over the last four years that they are the most effective sports brand in the football mark*e*tplace."

With respect, Mr Edwards, you are wrong. Umbro is just a shirtmaker, the image-delivery system. Manchester United is the important brand name, with a reach far beyond sport.

United is probably one of the strongest brands in the UK, right up there with Marks and Spencer or Heinz," says analyst Nigel Hicks of brokers Panmure Gordon. Hicks has specialised in the club's business fortunes since it floated nearly four Véars 220.

The second boost to United's recent stock market fortunes was publishing. Last week the club announced a multi-media deal with the magazine and video publishers VCL Existing magazine and book formats were bought out from the club for

On top of that came a guaranteed minimum of £3.5m (possibly a great deal more) in advance royalties from videos and other more hi-tech formats. Philosophy from Eric Cantona on

CD-Rom, or Ryan Giggs teaching corner-kicking technique via video disc, could be with us before the 1996-97 season. Plans are already well advanced for

player profiles to manager Alex Ferguson's thoughts for the day, to be published in almost every conceivable way.

"The agreement with VCI will enable the high quality of Manchester United videos, books and magazines to be maintained and will also enable United to benefit from developing formats such as video disc and CD-Rom," says Martin Edwards. Last week, club merchandising director Edward Freedman said he envisaged the

tecting the brand rather than breaking through into new areas. Really? It seems a modest ambition for United, trail-blazers since their debut on the stock market. Last week, an item from California also caught my eye: Disney is planning a \$2hn re-vamp of its somewhat tired Disneyland theme park.

future in terms of consolidating and pro-

Central to the make-over is the role of the increasingly successful Anaheim Mighty Ducks ice hockey team, their home rink being a crucial component of the new mix of pleasures at Disneyland.

Whether it is a backstage tour or a home game. Michael Eisner, Disney's chairman, is known to believe that the barriers between sport and show-hiz entertainment

So what price a similar development at Old Trafford? Surely the technology that puts the punters centre-stage in Backdraft or Back to The Future at the hugely popular Universal Studios in Hollywood could make a paying visitor the scorer of the winning goal for Manchester United in, say, the 1968 European Cup final? Or take him on a virtual reality night out in a



ze frame: Ryan Giggs (left) on video disc could be with us before the 1996-97 season.

"One can certainly conceive of a Manchester United theme park," agrees Nigel Hicks. Warming to the idea, he went on to suggest a Manchester United hotel, behind the new North stand, with direct links to the executive boxes and hospitality areas. "It would be a natural extension of what corporate supporters already pay for," he says. Behind the massive bulk of the new

circa 1971 Manchester nightclub with stand is a good deal of empty land, now owned by the club and ear-marked for no specific purpose.

These ideas may seem fanciful. Yet only five years ago the idea of the stock market valuing a football club at £150m or more would have seemed outlandish. Should a football visionary stand on the

roof of United's new stand, the most visible landmark he would see is the bright red Granada sign on the roof of the televi-

sion company, where the some opera Coro-nation Street has been tansformed this a visitor attraction more profitable than

making programmes.

Having digested Forte and turned itself into one of the world's sading heighters, anything seems possible or an entertain. ment conglomerate like (ranada. If this was the US, inverment bankers

would be shouting "synegy". Never say never in football.

see a nightmare coming On a brief visit to Atlanta, Georgia, I experienced the complexities of the preparations for the centennial Olympic Games. The sense of fore-boding is almost palpable: people in Atlanta are talking about life before and after the Olympics as though they were about to be hit by a hurricans.

They are uncertain whether normal life can ever be resumed. Perhaps when it all happens in July the euphoria, and the hype, will carry everyone through it, but the effect on Atlanta will be irrevocable.

There is more to Atlanta's predicament then the pending arrival of the world's sporting community. Atlanta is a city that experienced 17 per cent growth in size and population last year alone. It has boomed throughout the recession years, and is now a victim of its own success.

Complete dependence on the starts at the airport.

car has caused a 40 per cent There seems no architecgrowth in Atlanta's traffic in tural solution to the scale and one year. The department of anonymity of the ubiquitous transportation estimates that international airport. In Atlanta experiences in a single Atlanta the airport is so vast vest the kind of car growth that a small train transports that most cities experience in passengers from concourse to 10. The consequences are obviconcourse while another transports their luggage - often in the opposite direction. You are ous: highway construction feeds the growth, 16-lane highways are turned into 22 lanes, dependent on the disembodied multi-storey car parks sur-round new buildings and the average family has three cars. automated voice and the sign system. You haven't arrived anywhere recognisable - you But it is not only cars and are literally moved from A to traffic that are ruining the

city. A mobile population can-Look at the relief when friends and families recognise not create any sense of place. For a visitor - and there will faces waiting to meet them. It be millions in July - trouble is a similar relief to feel heat

or cold when you emerge from the controlled world of the airport into the chaos of the surrounding roads.

Atlanta, anonymity and America's airports

Giant magnolia trees and greenery may transform the blandest arrivals hall, writes Colin Amery

Your visual experience of the airport is limited: it is neither conditioned nor inspired by architecture but by signs and symbols. That little drawing of a suitcase gets you to the baggage claim. That figure with his legs apart or the one in the stiff skirt gets you to the lavatory. The flickering lines on the TV monitors lure you towards the right flight. There is often a terrible

sense of betrayal when the signs peter out - somehow the gate numbers don't tally, or the travelator takes its human

cargo beyond the spot they want to reach I have just been through 10

sirports in as many days. Most of the American ones are an anonymous blur. What impresses is their scale and the length of the walk from aircraft to luggage. Only two stay in the mind. First, the Charlotte/Douglas international airport, which has begun to solve the problem of anonymity by the appointment of an airport horticulturalist.

Her name is appropriately Joy, and her policy is a wise one of trying to bring nature into the air-conditioned nightmare of the airport. Not for

Bejamina, that small-leaved fig tree universally loved for its virtual indestructibility. Instead, Joy has tried inside and around the sirport buildings to introduce the greenery

planting on a massive scale. Her work is highly successful and is comparatively inexpensive as a way of greening the airport. It also brings the indigenous into the world of the anonymous - something sirports in smaller and poorer countries do, perhaps by default.

and colour of the Carolinas by

The little airports of the Caribbean islands may lack sophisticated air conditioning, but their pink-washed walls

and wrought ironwork and waving palms give the traveller a sense of arrival. How much more preferable

it is to arrive at Washington DC's Union station than to hang around in the giant shed that passes for the arrivals hall of Washington's National airport. At this airport for the capital of the world's most powerful country, you stand under contemporary "mobiles", which resemble white sheets drying.

At Union station, however, all is not perfect because the magnificent waiting hall is now a shopping mall. But it has been well done, and although the few trains are

Horner Pin (2) Class A Mts Boke FRN '30

subservient to ommerce, the vaulted hall with its imperial statues remain in all its splendour. Arrial by train brings you in the city; arrival by air brigs you into an unplanned libo devoted only to ceaseless government.

BEST STATE

Tell's

EG.

 $\mathcal{L}(p)$

grif Igrifa

数字

7250

ne.....

panore adar s

designa-

50111

独立の意

Water

Tan and 12 THE TA

forecar.

W6:1: 100 EL 75. $50R_{\odot}$

 ir_{λ}

Br Lan €:

Denmark.

ಶೇ ಸರ್ಗತೆ

*abis5

in action 40th (2)

lektone s

week praspical libr

OF THE

Mrsuced

10logi (a

Dansier in

 $ATM_{n-2,1}$

Most Lat. rideo litta? ब क्रान्त्रीर

Dife a secur

the $\tau_{2C_{i},\tau_{i},\tau_{i}}$

loteret ...

~ W()...

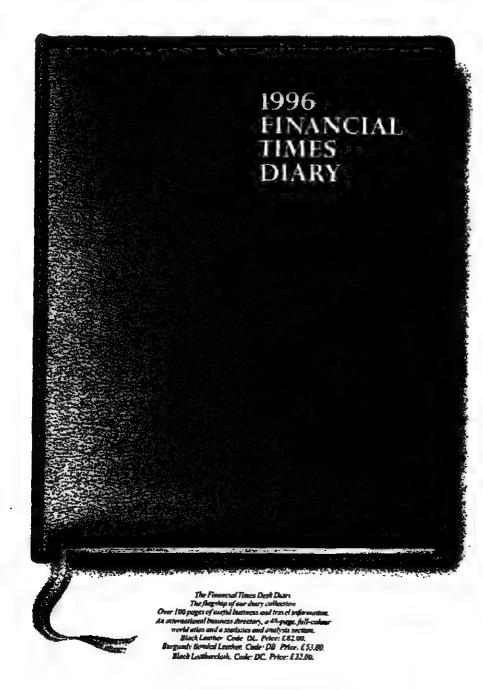
100000

4.5

Our forms of trasport, personal and public, nw make up the framework of ur lives. In a city like Atlantr the formlessness and lack olandmarks and of any real sene of place is depressing and callenging. Yet landscape arcitects can help save our cities by greening them.

As architecture becomes more and more annymous and uniform througout the world, it is time for serious revival of the indigenus spe cies. The giant magnda trees of Atlanta make a fine, more appropriate backgroun to the Olympics than more examples of architectural blandness

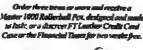
NOW YOU'RE REALLY READY FOR BUSINESS.



By reading the Financial Tirstes you are already one step ahead of the competition. Keep it that way by being up-to-date and organised with the help of a Financial Times diary or accessory. We offer a complete range of desktop and pocket models, including our popular Financial Times Desk Diary shown above. Whichever diary or accessory best suits your needs and tastes, they all present essential information with the same quality you've come to expect from the Financial Times.

To order your 1996 Financial Times Desk Diary, or for more information about the complete range, call the number below. You can also order by calling our Credit Card Hot Line: +44 1209 61 28 20.

CALL: +44 171 873 39 16







DIVIDEND & INTEREST PAYMENTS

by Nati Transury 63-96 Gtd Nos 2004 Alled Domecq 1044% Bd 1998 SSS1.25 Benco Quimes 124% Sb Neg DOSS EIBGAS
CS First Boston Gtd Str FRN Aug 2003
B30.15 Commonwealth Sank Asstralia FRN Feb 199 5306.77

Do Dated FRN Feb 2000 \$306.77 Do Und FRN Feb 1989 \$313.10 Date: 616% Bd 2000 Y637500.0 Datkin 8.35% Bd 1989 Y635000.0 Delyn 8p Dermark (Kingdom of) FRN 1998 £188.55

Fin Denien Ind Int Gtd Step-Down Nts 195 Fujts Inv Gld FRM 1986 \$1608.78 Goldeborough Healthcare 2.7p Halffux Bidg Scty FRN 1987 2174.32 Hampson Inds 0.55p Jersey Elec A 25p Lloyds Eurofin Old PRN 1998 287.48 Marubani int Fin 6.4% Ser A Bd 1997 Resource Fin FRN 2000 \$24777,22 Municipality Fin 11,55% Gld No. 1998 FM115500.0 PANTISSOUJU Mipoti Sameo 8,4% Nita 1987 Y840000,0 Do 8,4% Nita 2000 Y640000,0 Nomik Hydro 9%% Nita 2000 197,50 Sanwa Fin Aruba Glid Sib FFIN Ser 3

Start Syntech 415% Cv Bd 2002 \$45,0 State Bank New South Wales 12%% No. 2001 A\$122.50 (FGngdom of) 9)4% Bd 1988 Sweden (rangeon) of 17-16 at 15-25 S482.50 Toligii Pin (Curnose) \$14% Sb Gad Bd 2001 2458255.00 Do Und Grid PRN Y1271807.0 Tressury 10% 2001 25.0 Yorkshira Wester 9.1p

TOMORNOW. Dwyer Estates 0.8p Lorytro Fin 8% Gld Bd 2004 ISSUD Masthead hts Underwriting 1 Moselc Invis 6.6p Savillis 0.75p Toray FRN 1997 Y17499.0 Treasury 91/9; 2002 24,875 Vega 1.75p

ordeen Tet 1.80 Bankers inv Tet 1.13p Bank of More sei CSO. Dentry Tet 10,7232) Ecclesisation in 1 7 279 500 Ecmoor Duel fry Tet 1.80 Permoor Duel fry Tet 1.80 Permoor Bird Inc. II. Growth Tet Ger ical ins 13% Db 2016 96.50

Inc 2.1p Do Units 2.1p Gibbon 7% Cv Pf 3.5p 1.PA finds 0.88p Legal & Gen Fin 6.64% Bd 2001 £1.71 Legal & Gen Recovery Inv Tet 2.2p London & St Lawrence inv 696 Pf 1.78p OLIM CV Tat 4.5p Providing 14/5/6 Pt 7.25p Senyo Elec FRN 1998 Y18767.0 Samma 1.3p Sumitono Bank int Fin Glid FRN Aug 2006 53278.75 2005 53278.75 Do God FRN Aug 2007 \$3278.75 TR Far East Inc Tet 7% Do 97/02 23.60

III. "THUMINDAY PROMULATIV 28 Bork Nove Scotle Pag Parts So Dio 188 5503.35 Brad & Bingley Bidg Soty (FRN 1996 9187.48 2107.4g Surtanwood Brewery 0.8p CLM Insurance 1.27p Cater Allen Soulty Growth I

Ceter Alten Sen.
Inc.) 9p
Dr.) 19p
Dr.) 19p
Chase Manhastan SD FF81 1997 \$164.88
City of Oxford Inv Tex 1.3p
Colleteralised Mort Sec (7) A2 Mig Belid
Texts 2028 \$178./ Do Clam A3 Mtg Bold FRN 2028 £178.66 Do (8) Clam A3 Mtg Bold FRN "33 £177.82 CONTO-Cyclical Inv Tet 2.25p Dunyat Inv Tet Cv Monthly Div 0.48p Excellbur 111/16 Cm Pf 5.75p Reming Geared Inc & Assets Inv Tet 0.75c

0.75p GT Japan Inv Tst 0.4p Gartmore Smeller Co's 5% Cm Pf 21.75 Geored inc inv Tst 2p Glasgow Inc Tet 1p Helifax Biog Scoty Clind FRN 103 2962.88 Hamlet 2.2p Hill Samuel Fin FRN 1998 \$309.65

Do Cree B May Schol FFN 2030 2210.09 Honde 51AN CV Bo 1998 \$131.05 Do 51/16 CV Bd 1997 \$137.50 Ivary & Sime 1918 Tat CV Anne 8.5p Lloyds Benk Prim Cap Und FRN (Ser 2) 8163.25 8153.25
Do (Ser S) \$302.60
Lisyde TSB Var Flate Sb Nte 2009
E176.06
Merchant Rotals 8% Pf 2.5p
Morgan Grantel Und Prim Cap PRN
8319.13 MAUTRY Emerging Boors Tist 1p NHL (1) Deld Int Mitg Belief PRN 2028 210.04 Nat West Bank Prim Cap PRN Ser C 8151.67

8151.67
New Zacland Inv Tax 2.28p
RPM 4WM Un Ln 200406 22.25
Do 9% Un Ln 1999/2004 24.50
Regby Gtd FRN Aug 997 618594.47
Do Gtd FRN 1996 \$18558.47
Do Gtd FRN 1996 \$18558.47
Refence Security 1.75p
Royal Bank Carada Fitg Rate Db 2005
844.61
Sebu 7446 Ch Reference 544,81 Selyu 74.4 Cv Bd 1996 £38,26 Bouthand Property 0,58p Standard Chartered Sb FRN 1896 £85,60

Do Seventh Clase A No 8 Aug 2091 E87.52 Do Clase 8 No 8 Aug 2091 £182.20 TR City of London Tet 1.42p Do 20% Non-Con Pf 7 Do 8% Cm 1et pf 22.10 Do 6% Non-Cm 2nd Pf 2.1p Temple Bor Inv Tet 6% Cv Un Ln 2002 £3.0 Nat Gtts FRN 1999 2168,41 Tomidnsons 5p Webs Farge Sb FRN 2000 \$45.31 Woodwich Bidg Saty Sb FRN 2001 13989.02

Aberdeen (City of) 10,8% Ad 2011 85,40 Aberderth Smaller Co's Tet 3p Aberdorth Split Level 2,1p Do Units 2.1p Do Units 2.1p
Ahmanson (HF) \$0.22
American Brands \$0.50
American General \$0.325
Assoc British Foods 4.5p
Bardisys Non-CM \$ Pri Ser C1 \$0.4218
Do Ser C2 \$0.1408
Do Ser C2 \$0.1408

Do Sar D2 30.4825 Do Ser D Pf Units 60,575 Beales Hunter 2.9p Searing Power 1.38p Covenity Bidg Scty 12%% Perm Int ig East Surrey Water 10% Ad Db 1997/5 Fifth Risson 0.7a Planting Couverhouse inv Tet 2.18p
Flexning Inc & Citp Inv Tet 1.2p
Do Units 1.2p
Floral Breast 1p
Found Motor \$0.36

Greinger Tet 5p Greencure IR7.7p Halfax Bidg Scty 89/9: Perm int Brg E2187.90 be 12% Perm int Brg \$3000.0 ingersol-Rand 90.185 inspirations 2.89 inspirations 2.89 London (County of) 241% Core \$0.625 Do 3% Core \$0.75

Low & Boner 8% 1st Cm Pf 2.1p Do 8% 2nd Cm Pf 2.1p Do 5%% 3nd Cm Pf 1.825p Mexico 161/44 Ln 2006 £3.25 Oldham Met Borough Council 11/496 Rd P & O 31/4 Db 61.75 Do 31/4 2nd Db 51.75 Region Estates 10%-11%% Stope int 1st Mig Db 12 25.825 River Piers 2

ver Plate & Gen Inv Tet 5% Om Pf 21.75 21.75
Sainsbury (J) 896 ind Un Ln 24.0
Schreidera (8) 6% CmRd Pf2.1p
Security Services 445% Pf 1.573p
Skough Estates Ov Rd Pf 4.125p
Tharnes Invs (No 2) One-way FRN 1997. Thom EMI 16.50

Transcanade Pipe 18/4% 1st Mtg Pipe Sd. 2007 8.25p Treasury 934% Ln 1997 24.378 Union Carbide \$0.1875 Willemson Tes. 10p Witten Inv 8% Db 1996/98 Dt.0 ** Do 8% ** Exchight Bid 2008 C31.26

SUNDAY MARCH 2

GIVE US TODAY COMPANY MEETINGS:

And don't forget to add your cheatre to fund more Macmillan Numes to help 1,000,000 people living with cancer. (1 to 3 of us will get cancer)

A STAPLE

Chéque amount /. made out to 'CRMF (FR)' Please send to: CRMF FREEPOST LONDON SW3 3BR THE Macmillan

Cancer Relief Macmillan Fund exists to support people with cancer and their families. Rend. Chariev No. 261017

APPEAL

UK COMPANIES

Onlinger Tist, 57, Grainger Street, Newcastle upon Tyre, 12.30 ECARD MEETINGS: Freix; Abby National Acom Compute Brewin Dolphia Card Clear HSBC

Johnson Pry Utilities E TOMOFFICE

Aradatock, Hyde Park Hotel, 66, Inightsbridge, S.W., 12,00 Murray Emerging Economies To West Nile Street, Glasgow, 12,36 BOARD MEETINGS:

Donmick Hunter

Donmick Hunter

English & O'seas Prope

General Accident

NTV Group

Intal Permanent

Flerring Enterprise by Tel Sinclair (Wm)
TR European Growth Tet

WEDNESDAY FEBRUARY 20 COMPANY MEETINGS: Hotmes & Marchant, Brands House, Kingshill Road, High Wycombe, Bucks 10.00 Lourino, Barbicon Hall, Berbican Centre, E.C., 11,00 New Zegland low Tat, 12, Certifuelan Street, E.C., 12.30 PWS, 52, The Minories, E.C., 12.00 BOARD MEETINGS; Assoc British Ports

intering:
intering:
Alliance Resources
BZW Convertible Inv Te
Henderzon Eurorinet
Johnson Fry Euro Utility
Pacific Horizon Inv Tet THURSDAY FEBRUARY 25

vertible inv Tet

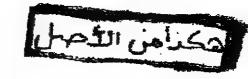
dard Chartered

Street, E.C., 11.30 Cellbach, Merchant Taylora Hell, 80, Threadneadie Street, E.C., 11.30 BOARD MEETINGS: Green Property

45 FRIDAY MARRH 1 COMPANY MEETINGS: Kumlok, Park Lant Hotel, W., 11.00 Richards, Broadfed Works, Meberly Street, Abardoen, 10.00 Control of the con-Trancherwood, File Stockcross, Newbly BOARD MEETING: Vega Finals; Braime (TF&H) Second Market in Co Spergo Consulting

Company meetings are arrural general meetings unless otherwise stated. Please note: Report and accounts are not normally available until approximately six wasks after the band meeting to

20-Ahead Grp



h:2...

By Steve Mic Stage Con

......r

. 4 i :

050

STATE OF

States -

EC.181. 26 198;

Comment for

21 12 15

and the state of t

274

V 44 25 25

1000年度

The state

- ---

2000年1月2日

an an a (四) ⇒

11.4 Million

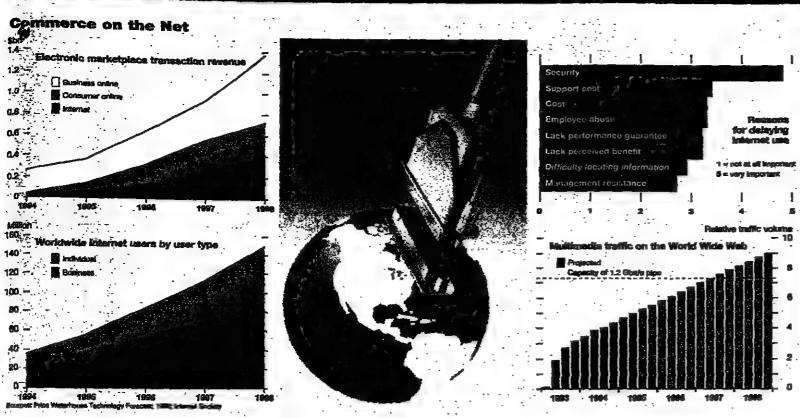
- STE

in the

The second secon

中的社员

· ः ः भाः स्टब्स्



Net's rivals feel the squeeze

A quiet revolution is transforming global electronic trade, writes Alan Cane

he value added networks (Vans) such as GEIS and Advantis that have made possible and sustained the world's electronic comto during the past decade are already at risk from the Internet, according to an industry forecast.

The Internet's rise as a viable conduit for electronic commerce has initiated a re-examination of the contribution of the Vans that were previously relied on for electronic data interchange and other services," according to the latest issue of Price Waterhouse's Technology Forecast.

Remarkably lower transmission costs and the ubiquity of the Internet tempt many companies to consider it a viable alternative.

The Technology Forecast, a panoramic sweep through today's electronics, from chip designs to video compression software, has in the space of a few years changed from a hast-ily compiled crib for Price-Waterhouse's partners and customers to a glossily produced and authoritative volume.

This year, special themes include electronic commerce and the influence of the Internet. Electronic commerce, the forecast says, has become a worldwide phenomenon, reshaping marketplaces, trading relationships and international trading boundaries.

Fric Berg, director of tech-ne analysis at Price-Waterhouse's technology centre, says: "We envision that complete business processes will be automated using electronic document interchange - everything from the request for bid to the shipment notice to the payment will be carried out electronically, eliminating the need for paper and reducing

How much will costs be reduced? It costs up to \$100 (£64.90) to produce and process a paper invoice and payment, the Forecast says, compared to less than \$10 for electronic alternatives.

Electronic commerce technologies such as electronic document interchange have been available for some time through Vans operators. Revenues for more than a dozen, including General Electric Information Services, Sterling Software, Advantis and Electronic Data Systems are rising rapidly, Marketing consultancies are predicting between 24 per cent and 40 per cent compound annual growth rates.

But use of the Internet offers substantial savings, it seems, According to BIS Strategic Decisions, a technology consultancy, the cost of EDI over the Internet in only 10 to 30 per cent the cost of using a conventional Van.

Security, however, remains an important concern. According to the Forecast: "Transmitting sensitive account information such as credit card net." numbers over the public internet scares corporate treasurers and experienced information technology managers, and many decline to extend the services offered on their Web sites beyond product catalogues to

It would be, according to the respondents to a survey, "just plain foolish" to provide credit information online.

There are, bowever, a number of developments in cryptography which may change the perception of the internet as fundamentally insecure as early as 1998.

The Forecast suggests that software developed by RSA Data Security of the US will be the cryptography method of choice for most Internet-based

There is evidence, however, that interest in using the Internet for electronic commerce may have already overtaken penetration of EDL One survey in early 1995 found that onethird of more than 500 respondents were already using the Internet for electronic commerce. Half of them said they would be using the internet by the end of 1995. Other studies suggest that Internet-based sales will grow by more than 2,000 per cent by the end of

Meanwhile, conventional Vans operators such as Advantis, GEIS and Stirling will be forced to change into corporate internet EDI providers. Their business models." the Forecast warns, "will be severely tested by the economics of the Inter-

The Forecast sees no end to the growth of the internet: "Once higher bandwidth is available, perhaps through cable companies, the growth will be explosive in nature because sound and video clips will be delivered in real time.

The price of online service time will decline due to greater competition for customers, it says, and desire for faster online performance will stimulate demand for ISDN digital telephony (a technology capa-ble of transmitting multimedia sound and images) in the US. More demand for this higherspeed digital equipment will lower costs as volumes

increase, it predicts.

The key to all this is the World Wide Web, the fastest growing part of the Internet, which provides links between pieces of information held on separate and remote computer databases. The WWW will continue its phenomenal growth. The transparent ability to click on a world, phrase or picture that directs the network houses to the next location is an extremely important meta-

It goes on: "The WWW is quickly turning the internet into an online shopping mail. Services, ranging from online shopping to instantaneous automobile traffic undates, are providing businesses with new and innovative ways to reach costomers.

The forecasts predict a sound future for online services dards of the WWW, but are gloomy about prospects for

"Independent online ventures not also providing access to the Web will have a tough time succeeding," it is said.
Figures quoted in the Fore-

DIY Web pages take toll in man hours

Tim Jackson wrestles with Navigator Gold

The inventor Wide Web. Tim Berners-Lee, made an interesting observation recently during an inter-

view on America's national public radio. Asked what he thought of the commercial monster his creation had become, Berners-Lee said mildly that it disappointed him in only one respect. The Web was proving less popular than he had hoped as a medium for individuals to publish information.

Six months from now. Berners-Lee's disappointment may be redundant. There are several programs on the market that make the design of Web pages as easy as word

Cognoscenti insist that it was hardly taxing before; Wired magazine recently reported on the rise of what it called WAW - waiter/act-or/webmasters, who found a useful source of short-term income in public fear of html. the hypertext mark-up language used to define Web pages. But a sharp new impetus towards personal publishing on the Web has come from Netscape, maker of the world's most popular browsing software.

cast suggest that the total size

of the US consumer online ser-

vices market, including the

Internet, was only \$1bn in 1994,

with the prospect of growing to

\$2bm in 1995 and almost \$9bm

by 2000, representing about 40m subscribers to online ser-

All this will lead to renewed

interest in ISDN as a telecoms

technology, the Forecast says, suggesting that the US has

become the world's fastest

ning to take hold. Consumers and schools appear to be interested in telecommuting and in

fast connections to the Internet

Pricing, however, is confus

ing. The industry is waiting to see if the telephone companies will be successful in marketing

ISDN to residential, educa-

tional and business customers

before other high data rate

alternatives become available.

Price Waterhouse Technology

Forecast: 1996 is intended for

PW professionals and their cli

"ISDN standards are begin-

growing ISDN market.

and in online services."

A month ago, the Silicon Valley software firm released a new version of its Navigator program which includes a Web page editor that allows individuals to create their own Web pages just as they would prepare a letter using a word processor.

Navigator Gold 2.0, as the package is called, is still beta testing. To encourage customers to try DIY Web publishing, the company has run a contest with a gold rush theme in which the best designed page produced with the new program will win \$5,000 (£3,246). Entries closed yesterday; prizes will be warried next week

Netscape has persuaded some big Net service providers in the US to offer easy ways for customers to get their Web pages up.

When I noticed a provider offering a month's site rental for \$1, and boasting customers could hook themselves up in an hour. I could resist no longer. But one hour proved to be an underestimate.

Last Tuesday evening, I spent a couple of hours putting together the text of a rudimentary Web site. That involved neither fancy graphics nor digitized voices, but an archive of recent FT columns. several links to Web sites that might interest readers, and a puff for my newly published book and a conference I am belping to organize.

On Wednesday morning, I downloaded the Navigator Gold software - a gigantic file of three megabytes, which would take an hour or more on some modems. Unfortunately, the software would not work, and three anguished calls to Netscape yielded the conclusion that my PC had a virus. However, a friendly developer e-mailed me a clean version of the program, and I was ready at 7pm to turn the text into function-

ing Web pages. Although Navigator Gold is conceptually simple to use, the public Beta 1 version runs at a snail's pace and is riddled with bugs. Lloyd Tabb, the developer in charge of the project, said that his slogan in writing software was "crawl, walk, run, fly" - and described the current pro-gram as "run". After the 17th crash of the evening, I felt that "crawl" was more appropriate. By Sam the job was

largely done. Five hours later, I was awake again and ready to send the finished pages to a service provider where they could be stored and finally made available to other Net

But that proved more difficult than expected. The instructions given on Nets cape's home page conflicted with those of Concentric, the service provider. It required three conversations with a Concentric technical support person to establish that the only way to upload the files was a mixture of both

It was nearly midnight on Thursday before the files were in place and readily accessi . The experience, close to 30 hours of work, left me wearily cynical about Net service providers and beta versions of programs, and admiring the enthusiasts who managed to enter complex, well-designed Web pages complete with all the latest bells and whistles. But there is no doubt that Navigator Gold is the kernel

of a great idea. It opens up the possibility that ordinary, nonexpert people will be able to check the Web after dinner, find something interesting and make some change to their own Web sites before the coffee is finished, using a "one-button publish" feature.

If this idea becomes a reality, it will tilt the balance of power on the Web back towards individuals. Sites will become less commercial and more spontaneous.

Browsing and "authoring", as the US phrase has it, will become the same exercise. And Netscape's program will continue its progress to becoming an all-purpose gadget serving as an intermediary between the user and the Net, incorporating not only "authoring" but also e-mail, telephony and video-conferen-

Navigator Gold will probably become a stable program suitable for people like me in three months. By the summer, people who hardly know one end of a computer from another could be comparing notes on their personal websites over the dinner table. And Berners-Lee, thoughtful man that he is, will see his wish come true.

Tim.Jackson@pobox.com

Pioneering skein of fibre optics to span Denmark

By Atan Cana

Denmark claims to be one of the world's first countries to establish a national informa-tion superhighway. Tele Dan-wark, the country's largest telecoms operator, will this week present a nationwide optical fibre network 5,000 kilometres in length, using the advanced transmission technology called asynchronous ransfer mode (ATM). ATM, which at its fastest

allows voice, data and moving video images to be transmitted at speeds of more than 600m bits a second, is believed to be the technology best suited to interactive communication

n'is suited to organisations via as their main market. that have only intermittent

requirements for high transmission capacity and which would find the cost of a fixed high-capacity line onerous. However, ATM is still in its

infancy. In the US less than I per cent of established computer networks use the technology, partly because it costs more than slower networking technologies such as Ethernet. Tele Danmark, 51 per cent owned by the Danish govern-

ment, has not only wired up Denmark but has extended ATM links to Stockholm in Sweden and Oslo in Norway. Soren Jensen, Tele Danmark's managing director says: "We felt the time was ripe for a network that can serve businesses which have Scandina-"From our customers' point

of view, 60 per cent of all domestic and international data traffic can now use the ATM standard. Within a couple of years we expect to have full and compatible connections to Germany and the

Other countries will be watching Demark's ATM initiative. It is one consequence of a broader project, Infosociety 2000, which aims to provide Denmark with the world's lowest priced and most effi-cient telecoms services.

easy and cheap access to the large transmission capacity provided by ATM "pipes" will spur the development of new ways of doing business and running organisations. It suggests that for heavy

telecoms users, savings of 20 per cent or more a year are sible. It gives the example of a company headquartered in Copenhagen with subsidiaries in, say, Aalborg, Veile and Odense, Most of the time, it needs only 4m bits a second capacity. Every so often, how-ever, it needs 34m bits a secend capacity to all locations. A conventional fixed 34 megabit circuit would cost Dkr 1.5m (£174.000) to install and DKr 7.2m a year to run, a total of DKr 8.7. An equivalent ATM circuit would cost only DKr7.9m, it says. Uses include the transmission of medical images from hospital to hospital, business video-conference

ing, and transmission between local area networks without 14.23 12.17 14.23 12.17 14.23 14.14 14.22 14.23 14.23 14.24 14.23 14.24 14.23 14.24 14.23 14.24 14.23 14.24 14.23 14.24 14.24 14.25 14.24 14.25 PROPERTY OF THE PROPERTY OF TH 256.00 25

The Top Opportunities Section every Wednesday & For senior management

positions. For information call: Will Thomas +44 0171 873 3779

APPOINTMENTS ADVERTISING Appears in the UK edition

Thursday and in the international edition every advertising in this section please call: Toby Finden-Crofts on +44 0171 873 3456

Les Echos FINANCIAL TOURS

The FT can help you reach additional busine readers in France. Our link with the French business newspaper, Les Echos, gives you a unique recodiment advertising opportunity to and to target the Franch business world. For information on rates and further datails please talaphone:

FAST 64 KBIT SATELLITE TECHNOLOGY FOR COMPLETE REAL-TIME DATA OF THE US AND EUROPEAN EXCHANGES FOREX, FUTURES, OPTIONS, EQUITIES, NEWS TO ADDRESS STOT AN ARM ADDRESS 1 212 209 6740 201 3622396 NEW SatQuals RERKELEY FUTURES LIMITED 38 DOVER STREET, LONDON WIX SRB FULL AN EPPRESENT COMPETITIVE SERVICE TEL: 0171 629 1133 PAX: 0171 496 0022 FUTURES AND OPTIONS TRADING Clearing and Execution Service 24 hrs Tel: 444 171 329 3030 Fax: +44 171 329 3919 NEW 24-HOUR FOREX DESK Competitive Spreads, Minimum Transaction Size \$100,000 To find our more about our fraeedly, professional service, call Dentes Betton on 0171 896 (011 or write to us ICI ladez pic, I Warwick Row, London SW/E SER naures, Options of Carrencies lived access to exchange floors Tel: 0171 702 1991 instituted by Str. Rec 0171 480 6115 **PMarket-Eye** FREEPHONE 0800 321 321 FAX 0171 398 1001 WANT TO KNOW A SECRET? The 1.D.S. Gann Seminar will show you bow the markets REALLY work.

The FT GUIDE TO WORLD CURRENCIES, published in Monday's

paide the UK please telephone +44 171 873 4378 for details on Cityline Internati

souper and correins over 200 correncies, is now available by dialling the following

ast your profits and contain your losses. How? That's the secret. Book your FREE place. Phone 8 1 7 1 5 5 5 5 5 5 5 5

The amering trading techniques of the legendary W.D. Gann can

TREND ANALYSIS LTD Pelly Analysis & Truding Recommendations by Fax
FOREX • METALS • FINANCIAL FUTURES • ENERGY For FREE TRIAL Phose 01424 778165 For FREE TRIAL Phose 01424 774067

PHILLIP ALLEX ANDER SECURITIES AND FUTURES LIMITED Verlass Brusse, 125 Hashury Peveziesii, Ionadou BZA IFA
Tel: (44) 171 417 9776 Sar: (46) 171 417 9719

\$32 FURN HAALS Tel: (44) 171 417 9720 Fax: (44) 171 417 9719



US editors hold the home page

By Steve McGookin

Newspaper publishers are increasing their efforts to capitalise on the growth in the market for online services by developing more sophisticated Interactive products.

indeed, many established electronic publishers hope that the coming 12 months will see their online activities pronoted from experimental to Twenne-generating.
The medium which newspa-

pers are overwhelmingly choosing for their online forays is the World Wide Web, rather than a proprietary platform or Partnership arrangement with a commercial online service. The Internet is the arena where the battle for online

be fought," says David Richards, president of online comat survey of 190 US daily and

newspaper readers is going to

205 weekly newspapers with circulations over 30,000 by Kel-sey Group and Editor & Pub-lisher magazine showed that 44 per cent of dailies and 51 per cent of weeklies have a Web site. More significantly, of those that did not, 81 per cent of dailies and 46 per cent of

weeklies said they planned to have one within the next year. The seventh annual survey. announced on Friday at the Interactive Newspapers '96 Conference in San Francisco, showed that 93 per cent of dai-lies plan specific exclusive content for their Web sites.

About a quarter of dailies and more than half of weeklies said they already charged readers for access to their online offerings, or that they intended to. However, only two of the companies that responded to the survey said their Web sites were generating more than \$100,000 (£64,935) a year.

Chris Jennewein, of US newspaper chain Knight-Ridder, said his company was committed to putting all its daily papers online by 1997. Eight already have Internet editions, and two are being added each month. The aim is that all but the smallest will charge for content," he said.

According to Steve Outing, electronic newspaper consultant and columnist, more than 900 newspapers worldwide now have online editions, up from only 100 at the start of 1995. The majority are US-based, but as of last month there were more than 200 European news-

paper publishers with elec-tronic services. The Kelsey study echoed recent research by the University of Zurich and the European Newspaper Association indicating that the main reason for publishers to get involved in interactive serthe development of online vices was to protect their posi-

source in their market. Another consideration was the hope of extra revenue, primarily from advertising.

According to recent research by advertising agency McCann-Erickson, US newspapers' ad revenues were \$36.4bm in 1995 or 22.5 per cent of total ad spend, down from 23.1 per cent of total US advertising spend Colin Philips, co-publisher of Editor & Publisher, said that

1996 was already seeing the first ad budgets set aside for new-media advertising. And a survey by the American Press Institute of more than 270 journalists on US papers found that 59 per cent of editors and 56 per cent of reporters believed their daily jobs would change radically in the next five years because of

Lost in the weekend wasteland

quent travellers who have not at some time been caught in the weekend washing wasteland. It is a familiar predicament, particularly for anyone who takes a long-haul trip after a long, hard Friday at the office. having hastily thrown some dirty laundry into a suitcase

first thing that morning. The traveller has a conference to attend on the Sunday morning or a meeting on Monday, so on arrival at the hotel on Saturday afternoon, the first question is what time he or she can have their laundry cleaned and returned.

Almost always, the answer is that the dirty washing will not even be collected until Monday morning - and returned later that evening. If it is a public holiday weekend, the laundry could be returned as late as Tuesday evening.

The traveller now faces a dilemma: attend the appointment in a crumpled and slightly aromatic state, or spend the weekend soaking shirts in the bath and dripdrying them on the line above it. The traveller is then obliged to comb the hotel in search of an inferior iron that obstinately refuses, even on its hottest setting, to remove creases but happily distributes scorch marks in conspicuous places. An arbitrary survey of hotel

Amon Cohen has trouble getting his laundry done at hotels

laundry services suggests that most hotels are in the weekend wasteland. The exceptions are the trophy hotels, such as London's Savoy, which not only offer a seven-day service but have valets who can take a limited amount of washing and launder it in a few hours

There are a few other hotels, such as Inter-Continentals and the Hilton London on Park Lane, which have a valet service, but you need to know which they are," says Mike Gates, director of central services at travel agency Hogg Robinson. "It is important to have a good travel agent who can give you this sort of information, because it is difficult to be sure which offer them and which do

It is also sometimes the case that a good four-star or even three-star hotel will wash a shirt in an emergency. Holiday Inn says it could do so if neces-

But perhaps business travel-lers should have the right to expect a more comprehensive laundry service, especially when they pay such high prices. As Andrew Solum, travel manager of Inmarsat, the global telecommunications group, puts it: "Getting a pair of socks laundered can cost

more than you pay for the socks in the first place."

One group attempting to rectify matters is ITT Sheraton. which found that inadequacies in its laundry service were frequently mentioned in guest response surveys. It recently improved its laundry service at six of its European airport properties (two at London Heathrow, plus Luxembourg, Frankfurt, Brussels and a new hotel at Paris Charles de Gaulle).

In addition to the usual same-day service (laundry submitted first thing in the morning is returned that evening), these hotels now offer "overnight "express" and express" options. With the former, laundry

submitted between 7am and

6pm is returned within four hours. "Overnight express" guarantees that laundry taken between 6pm and 10pm will be returned by 7am next morning, or later if requested. That is the good news. The bad news is that rapid turnround has to be paid for. Whereas Sheraton charges a

standard £4.20 to wash and

press a man's shirt, its fee for

express service is £6.30 per shirt, and a remarkable £8.30 In addition, Sheraton is for overnight express. Other innovations at Shera introducing what it calls "body

TAKING FULL ADVANTAGE OF THE COMPLIMENTARY VALET SERVICE JUST BEFORE THE MEETING MAY HAVE BEEN UNWISE, SANDERS

ton's airport hotels include reduced rates for three- and clock cuisine", a selection of menus which it claims are seven-hour stopovers, and prodesigned to help guests adjust vision of a racily named free "transit survival kit", which to new time zones and combat flight fatigue. In essence, this includes toothbrush, T-shirt, means the hotels will provide breakfast, hunch or dinner at face cream, slippers and other any time between 8am and

10pm daily. If the programme is a sucparticular could be extended to

other properties. Meantime, Andrew Solum, who is also vice chairman of the London branch of the Institute of Travel Management, advocates another solution. Although he would like to see hotels offering a speedier service, he recognises that many hotels may find this is not eco-

nomically viable. But he has just returned from a lengthy tour of the southern hemisphere. In Australia and New Zealand he found that a growing number of hotels have installed selfservice launderettes for guests. "Quite frankly. I would rather go and wash my own knickers than have someone

other people washing my underwear," he says.
For those happy to have strangers handling their smalls, perhaps hotels could have one person staffing the launderette to provide service

else do it. I don't like 1,000

With the emergence of in-hotel launderettes and valets, there is thus a slight chance that weekend corporate travellers will be able to go about their business looking and smelling clean. For the rest. it looks as though carrying a packet of Travel Wash and a portable iron remains the best

Conference organisers on the cyberhunt

Wandering around hotel function rooms with a click of the computer mouse may take some getting used to, but for busy conference organisers it could be the way of the future.

At an exhibition in London this week, Hilton International will step up the battle to attract business meetings by launching a CD-Rom directory which not only carries full descriptions and colour photographs of 162 hotels in 50 countries, but shows exactly where to plug in the projector. There are video clips of almost half these hotels. Hilton believes its CD-Rom

is the first seen in the cut-throat world of conference hosting. Andrew McCulloch, head of research and development, says that to package this much information in a space-saving form that can be constantly updated "trans-forms what we can offer the enstomer".

If customers call up the downtown Vienna Hilton from an alphabetical list, for example, users may click to one of a series of maps showing its location, then zoom in for a detailed street plan.

They will find that the Vienna Hilton is only a short step from the stock exchange. and - should they suffer an excess of that deceptively unhinging new wine known as heurige - the hospital Conference organisers might be drawn to the Metternion room, where they will find decide of its capacity and a map show.

ing power points, light switches, even chandellers. For the geographically illiterate, there is a world map showing cities with Hiltons which organisers may arrow in on. Using this during a test search proved a little quicker than travelling by Concorde. but perhaps rather slower than digging out the atles. All this information - floor

plans, for example, and data on facilities such as fitness centres and distance from the airport - can be printed out. Hilton's CD-Rom will be available free from March il.

Roger Bray

Confex, an exhibition for conference planners, is at London's Earls Court, February 27-28,

Wash away jet lag. The Club World arrivals lounge.



Hong Kong shivers

A winter snap in Hong Kong has killed at least 21 people, prompting the government to emergency shelters. The colony is experiencing its chilliest weather in 46 years Normally hot and humid, Hong Kong shivered all lest week in near-freezing temperatures, dampening the luner new year holiday, and froat dusted the hilltope.

government sent out blankets to street sleepers and elderly people living alone, and sald It had established 17 shelters for people seeking rafuge

Strike called off

planned to start this week efter accepting the state mediator'a compromise on pay increases, union

few labour groups that insisted on an agreement separate to last November's central wage

Earthquake warning



and a possible eruption of the Krakatau volcano, an The death toll from the recent tremor in the Irian

Australian airline, rights to two more Boeing 767-300 services a week to Indonesia has been announced. Qantas has indicated these services will operate from Brisbane

last week issued an unprecedented warning to Australians about security In London following two: recent IRA bomb blasts

Road safety fears

recentiv for business

Europe.

There was some bad news

travellers (and others) who race around the roads of

Europeans, especially

new road safety report confirms it. After two

Italians, have a reputation for

driving like meniecs - and a

decades of decline, motoring

accidents climbed 3 per cent In 1994 in western Europe,

and more than 7 per cent in

central and eastern Europa, the European Conference of

ministers of transport said.

specifically examine the role

ministers expressed worry

that deaths rose where they should not have - in places like Austria, the Netherlands

"The progress achieved in

precarious," the Paris-based

group's report warned. "The

road casualty toll still appears

much too high in human as

well as in economic and

social terms." Although car

in western Europe in 1994,

which figures were available

the most recent year for

deaths dropped by 4 per

cent to 51,700, the lowest

fatality count since 1970.

countries improved their

safety records. Crashes

dropped 6.7 per cent in

A few western European

Portugal and 3.5 per cent in

Those three countries, along

with Spain, also saw fewer road fatalities in 1994. in central and eastern

Europe, the number of

both Belgium and France.

crashes rose by 3.2 per cent

safety over the years is

of speed and racklessness in

Their study did not

causing crashes, but

are good and

2 - 12 1 : ΣΈ :

that killed three people. Australians travelling to London, or living there, were advised to "mus high level of personal security awareness", it was the first time Australia had issued a travel advisory about London, said the foreign ministry.

The British colonial



ficiels said.

The union was one of the

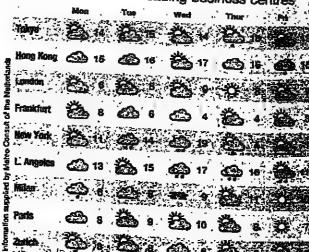
Indonesia

must prepare possibility of more earthquakes

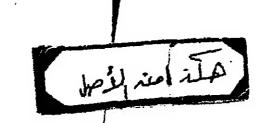
Indonesian minister warned Jaya region had risen to 102. an official said. "We must prepare . . . because according to the experts Mt Krakatau may erupt at any time, although we cannot predict exactly when," he added. Mt Krakatau, located between Indonesia's Java and Sumatra islands, exploded in 1883, triggering tidal waves that killed more than 36,000 people.

Qantas route confirmed Confirmation of a draft ruling giving

crashes dropped sharply between 1988 and 1990, but in 1994 there were more accidents than ever in both regions, the ministers said. Accidents rose 7.4 per cent overall injuries rose 6.7 per cent and deaths increas per cent. "This trend admittedly reflects wider access to travel by car and the increasing shortcomings of road infrastructure," the



 Australia's government Likely weather in the leading business centres After a long flight there's nothing better than a refreshing shower, followed by breakfast and having your clothes pressed. You'll find it all in our arrivals lounges at Heathrow and Gatwick airports. It's one of the many features on new Club World. **BRITISH AIRWAYS** http://www.british-airways.com The world's favourite airline



The state of the

25 经营营额额

32 0

i week week an

Tal 200 Store Wanted &

PA Domb blass

N. CC Stree people

ALETTERSONS TRACKING

COT OF SYING THE .

CUTT, SWEETINGS, Las

Carol time Australa les

Les : Marel Meson

10.7 La 1000, Seg (la

- 30 safety fear

· 10 10 74 12 75

FF 2000年成長

1275

- - : 40.000

10-12030-53

ra v maedilaa

. - 17 - 1**2**

4.50

- Parket

3 - 5

1. Table 7.

一: 1877年度

7.57

2 - TIE

4.45 E. T.

U 119 6174

19 19 15 h

100

. goder#

Billey et

- 35

112- 125

200

11 24 25 E

4 9 S

D 9""

0.000

2.0.0

, 5° %.

9.0

3.5

. 5.5%

.

1 S

. ið

.....

272

. 11: 8921.

SECTION AND A

: " := .e. o: perma

1.00 DISTOR 100 F Car de Production Car de Production Car de Cardon C

A retrospective of the great French landscape painter Jean-Baptiste Carnille Corot (right) opens on Saturday at the Grand Palais; marking the bicentenary of his birth. Comprising more than 150 works, it will be complemented at the Bibliothèque Nationale by a selection of his prints and sketches.

Roberto Alagna aters in a new production of Verdi's "Don Carlos" tomorrow at the Chatelet. French opera fans have further cause for celebration at the wer when the Paleis Gamler (right) reopens after 18 months of pishment. Georg

Solti conducts a concert performance of Mozart's "Don Giovanni" on Friday, and a new production of "Cosi fan tutte" opens on Saturday.

Ruggero Raimondi, the outstanding Don Glovanni of recent times, is in Athens this week to direct a new production of Mozart's opera at the Megaron concert hall. The conductor is Gustav Kuhn, and the cast includes prizawinners of an international competition entitled The Quest for Don Giovanni. First

night is on Saturday.

The Poyal Academy of Arts has organised an exhibition of work by contemporary British architects. which opens at the Art Institute of Chicago on Friday. Sponsored by the FT, the exhibition consists of ctural drawings, models and photographs of buildings designed by Sir Norman Foster, Nicholas Grimshaw, Richard Rogers and

LONDON The National Theatre presents a new play by David Lan (right) on Thursday. "The Ends of the Earth", Andrei Serban directs; Samentha Bond and Michael Sheen lead the cast. On Tuesday, at Sedier's Wells Theatre, the admirable Arc Dance Company will present the first London performance of Kim Brandstrup's "Grime Fictions", a new dramatic plece inspired by the ideas of crims shadowy truth and no less shadow

THE HAGUE Following its highly successful showing Washington, an exhibition devoted to the work of Johannes Vermeer (right) opens a the Mauritahuis on Friday, Although have produced only 35 paintings, he is considered one of the great masters of the Solden Age of Dutch



fter decades of mediating between two halves of a divided country, the Berlin film festival now does the same for oppo-site ends of the world. The opening film Sense And Sensibility set the tone, a Jane Austen tale directed by a Taiwanese-American. After that the competition was evenly distributed (allowing new token spaces for Europe) between the realms of the rising sun and the land of the sinking dollar.

Hollywood sent to Berlin most of its superstar division, plus their new films, including Travolta, Tarantino, De Vito, Bruce Willis, Jodie Foster and Sally Field. Clearly nervous that the world sees it today as a place seized by snow, debt and electoral black comedy, America's movies were about sunshine, money and high political drama.

Oliver Stone's Nixon is a grandi-vision of the man who brought great deeds and misdeeds to the White House, with Anthony Hopkins superb as a jowly modern Mac-

John Travolta capers nimbly through Get Shorty, an Elmore Lecnard crime comedy set in Hollywood. And even darker US movies like Robert Rodriguez' From Dusk Till Dawn (Harvey Keitel and Quentin Tarantino fight Aztec vampires) and Tim Robbins' Dead Man Walking (Death Row drama with Susan Sarandon and Sean Penn) seemed to be persuading us that all is well and decent in the USA, provided you stay away from prison and/or the paranormal,

All these films open soon in Britain, where they will receive further review space. Edward Yang's Mahjong and Yim Ho's The Sun Has Ears, from the less saleable East, may have to fight for arthouses. Yang's Taiwanese comedy is the best film yet from a director who used to give us slabs of existentialism in the Antonioni mode. He has now become an accomplished social satirist. He understands THE CTACKO visions of youth - in the central group of boy-gangsters who try to hustle everything that moves, from girls to passing US or European businessmen - and the myonia of a materialistic Taiwan ripe for take-

T. The images are perfectly pised, like chess moves come to life. And the dialogue runs to cherishable daffiness like the ageing courtesan's boast, "Every man who's kissed me now drives a Mer-

The Sun Has Ears is a violent love story, blending political and personal destinies in the tale of a village woman who deserts her husband for a young warlord in strifetorn 1920s China. No coincidence that it looks and sounds at times like a Zhang Yimou film. Its screenwriter wrote Red Sorghum, its cam-eraman shot Raise The Red Lantern. But many scenes bear the increasingly distinctive signature of its Hong Kong director Yim Ho. As in his last movie The Day The Sun Grew Cold; melodrama is defused and emotional focus intensified by a sardonic miniaturism. Even the cooking scenes, a Yim speciality, serve to heat up the erotic symbol-



A grandiose vision from Hollywood: Paul Sorvino, James Woods and Anthony Hopkins in Oliver Stone's 'Nixon'

the world's on its stage

The Berlin film festival, offering its richest programme yet, is set to outdo Cannes and Venice in the global movie calendar, reports Nigel Andrews

Caught between far-flung ends of the earth, Britain's movies seemed somewhat disoriented. Having looked east with a Taiwanese director's version of Regency England, the country looked west with two mid-Atlantic products in Richard III and Restorati

In the Shakespeare movie. updated to the first world war, Sir Ian McKellen lords it over a cast ranging from Nigel Hawthorne as a ringing Clarence and Jim Broadbent as a buxom Buckingham to Hollywood's Robert Downey Jr (Lord Rivers) and Annette Bening (Lady Anne). Unlike the National Theatre staging that inspired it, the film never finds a consistency of tone and style, gadding about between warring venues (Brighton Pavilion, City office blocks) and

irreconcilable accents. Restoration is both worse and better. This time Downey lords it over McKellen. The American plays a young 17th-century doctor to Sir an's don't-blink cameo as a butler. Since Charles II is played by New Zealand's Sam Neill and our hero's Cornish girlfriend by the non-Cor-

ism while also persuading that nish Meg Ryan the result is a dog's about the Warsaw Ghetto Holy (Strange bodily noises predominate ud as a bedo

But what a dressing-up. As the Rose Tremain based-tale commutes between rags and riches, so do the sets and costumes. Court life is a riot of gold, velvet and Rubens-style hangings, with courtiers walking about like wedding cakes on legs. And even when the film descends into mud. Quakerism and the plague, director Michael Hoffman knows a painterly image when his designer shows him one.

emaining competition movies exemplified the grim state of modern European cinema. Half were echoes of former glory from veterans like Bo Elvira Madigan Widerberg, offering yet another tale of sexual awakening in bygone Sweden, or France's Bertrand Blier, whose Mon Homme is his umpteenth comedy trying to put the Dadaism back into sex, assuming it was ever there in the first

Other Euro-films were as hyphen ated as their provenances. Straddling cultures and styles, they included the Polish-German (Wajda's disappointing comeback drama

), the French-Italian (Ricky Tos nazzi's bland high-finance thriller Strangled Lives) and even the Belgian-French-Tunisian in Ferid Boughedir's comedy with allegorical trimmings. A Summer In La

Michael Verhoeven's A Mother's Courage takes the Golden Biscuit, though, for cultural muddle. Based on the writings of Hungarian refugee Georg Tabori, the German film tells the story of Tabori's mother and her narrow escape from deportation to Auschwitz. With hundreds of other Jews she was trundled to the border in a cattle car, only to find last-minute mercy from a Nazi officer. Piquant tale, But whom do we have as Mrs Tabori? Our own Pauline Collins, whose mouth seems to frame her German dialogue with as much surprise as her

eyes register the twists of the plot. No wonder many festival-goers ran for relief to the sideshows or the Young Film-Makers Forum. Like the Cannes Directors Fortnight, the Forum honours gritty, singleminded visions. Italy's The Uncle From Brooklun is a picture of Sicilian peasant life at once brutally funny and serenely minimalist.

over dialogue in many parts of th soundtrack.) Hong Kong's Fallen Angels is another boldly Fauvist tragicomedy about love and gangsterdom from Chunakina Express's Wong Kar-Wal. And from the US. Todd Solondz's Welcome To The Dollhouse and Todd Verow's Frisk offer hypnotic insights into the American dream - or nightmare as they probe, respectively, the comical horrors of high school life and the real horrors of extreme sexual fantasy. Looked at whole, rather than

quality-tested for its competition, this may have been the richest Berlin film festival in modern memory Having filled the main event with Hollywood's new guard, Berlin invited two great older guardsmen – Jack Lemmon and Elia Kazan – to preside over programmes of their work. And it topped those shows off with a full-scale William Wyler retrospective, from which only Wyler himself, for reasons of mortality, was absent. Berlin may not boast the natural environmental comforts of Cannes or Venice, especially in this blizzard-swept year. But it is fast becoming their equal or superior in the movie calendar.

Ballet/Clement Crisp

Far From the **Madding Crowd**

s the curtain came down at the end of Far from the Madding Crowd, a voice near me said "Oh, that's lovely." It was a feeling I shared, though for diametrically opposite reasons from the happy speaker. For three hours David Bintley had taken us on a long trip through a Wessex generously furnished with rustics and such rural crafts as filicit passion, shooting, roistering

and sheep-shearing.

I had privately christened the event Emmerdant Farm, but for Bintley's eager public in the Birmingham Hippodrome this danceview of Hardy's novel contains everything they want, and every-thing he knows so acutely how to give them.

Bintley has produced a three-act ballet for his Birmingham Royal Ballet in which the skeleton of Hardy's drama is embedded in extensive amounts of pastoral quaintness. From hiring-fair to hoe-down (at moments the stage picture suggests Oklahokum), we are offered jollity, high-stepping, cunningly made scenes of rural fun, military copulation, and what looks like a do-it-vourself coffin.

The production is efficient, astutely worked-out. There is a

tuneful score by Paul Reade, which has waltzes and rural tunes (and an itinerant fiddler worthy of a Budapest restaurant), and it will doubt-less soon turn up on Classic FM. Hayden Griffin has devised a clever set of balf-timbering which adapts to every scene-change. Costuming ranges from Cold Comfort Farm modish - lots of beige; hats that look home-made - to bonnets and gingham, and the stage picture is exactly that proposed by the atti-tudes of score and choreography. The central characters - Leticia

Muller as Bathsheba; Michael O'Hare as Gabriel; Joseph Cipolla as Boldwood: Wolfgang Stollwitzer as Troy - go through their motions with evident devotion. They do what they do, and I found them and what they do - uninteresting. The cast work very hard at enjoying the olde Mummerset custon The piece is as determinedly rustic and improbable as a Tourist Board advertisement for our rolling country-side, and if it were any more ingratiating it would be sitting in our laps. The public will love it, and it will have an entire success. David Bintley is an assured craftsman: he has made something which were better called Near the Madding Box-office.

Recital/John Allison

Olaf Bär's Schubert

Hall la concentrated than usual. It focused on Lieder from the years 1818-24, and the 18 songs we heard ranged from among the composer's bestknown to some neglected numbers. With thoroughness typical of the German baritone and his planist Helmut Deutsch, this recital had been preceded on Monday with the first of the Wigmore Hall's proj-ected "Insight Concerts", in which the two musicians explored aspects of these songs with a pair of young Lieder singers, Ruth Peel and

David Crown.

Bår himself proved an impressive interpreter, but still showed lingering signs of the vocal trouble that beset him a few years ago. His greatest strength is the uniquely cultivated way he has with his native language, and he projected

the poems eloquently. But there were times, most noticeably in the long "Ein-samkeit" which concluded the first half, where his honeyed tone almost dried up and the voice sounded tired, lacking support. Even this song, though, was com-pelling, since both Bar and Deutsch conjured up the entire range of

11-Schubert programmes moods it encompasses. Deutsch was are not uncommon, but an admirable accompanist through-Olaf Bar's at the Wigmore out: unfailingly interesting, but always discre

The recital had begun strongly. with Bar arresting in the opening lines of "An die Leier", and bringing long, liquid phrases to the tranquil passages that follow. He caressed the refrain of "Sei mir gegrüsst" beautifully. Early in the programme he was still rich of tone in loud dynamics, and caught the fresh excitement of "Lachen und Weinen". Schubert's only Uhland setting, "Frühlingsglaube", was light and balmy, and "Auf dem Wasser zu singen" came across

with tranquil ease.

Although Friedrich Novalis is the epitome of a Romantic poet - he died aged 28, and Heine noted that "He loved a young lady, who suffered from consumption and died from the disease" - his metaphysical texts in "Nachthymne" and Hymnen I-IV" did not inspire vintage Schubert. Even the restrained emotions, though, were evoked in Bar's finely sculpted lines. A change to Goethe for the final group of five Lieder raised the spirits, predictably in the buoyant "Der Musensohn", less obviously in "An die Entfernte", a song of hopeless longing.

INTERNATIONAL

AMSTERDAM

CONCERT Tel: 31-20-5730573 Nederlands Philharmonisch Orkest: with conductor Hartmut Haenchen and pianist Rian de Waal perform the 'Wanderer' Fantasy for plano and orchestra by Schubert/ iszt, Wagenaar's Elverhoi, and Beethoven's Symphony No.5; 8.15pm; Mar 2, 3 (2.15pm), 4, 5

ANTWERP

CONCERT De Singel Tel: 32-3-2483800 Koninklijk Filhermonisch Orkest van Vlaanderen; with conductor Muhai Tang and viola-player Leo De Neve perform works by Hendericks, Dun and Stravinsky; 8pm; Mar 1

BERLIN

OPERA Deutsche Oper Bertin Tel: 49-30-3438401 Die Zauberflöte: by Mozart. Conducted by Stefan Soltesz and

performed by the Deutsche Oper Bertin, Soloists include Halgrimson, McCarthy, Peacock, Hagen, Clear and Feldhoff; 7.30pm; Feb 29

BOSTON CONCERT

Boston Symphony Hall Tel: 1-617-266-1492 Die Jahreszeiten: by Haydn. Performed by the Boston Symphony Orchestra with conductor Marek Janowski. Soloists include soprano Ruth Ziesak, tenor Christophe Prégardien and bass Alastair Miles; 8pm; Feb 27

CAPE TOWN

JAZZ & BLUES Nico Theatre Complex Tel: 27-21-215470 Irene Reid and Mike Carr: performance by the vocalist and organist. Part of the International Jazz Festival; 1pm; Feb 28

COPENHAGEN

Romeo and Juliet a choreography by Frederick Ashton to music by Prokofley, performed by

Elektra: by R. Strauss.

Det Kongelige Teate

Tel: 45-33 14 10 02

DANCE

the Royal Danish Ballet; 8pm; Feb 27, 28; Mar 1, 2 DRESDEN **OPERA** Sächsische Staatsoper Dresden Tel: 49-351-49110

Conducted by Friedemann Layer

and performed by the Sachsische

Staatsoper Dresden. Soloists include Felicity Palmer, Carla Pohl, Helga Thiede and Klaus König; 7.30pm; Feb 28: Mar 3

■ GENOA OPERA Teetro Carlo Felice Tel: 39-10-589329

 Turandot: by Puccini. Conducted by György Györivanyi-Rath and performed by the Teatro Carlo Felice. Soloists include Alessandra Marc, Kelth Olsen and Alida Ferrarini; 8.30pm; Feb 27, 29; Mar 1, 3 (3.30pm)

GHENT **OPERA**

De Vlaamse Opera Tel: 32-9-2230681 Tosca: by Puccini. Conducted by Silvio Varviso and performed by De Vlaamse Opera. Soloists include Maria Gulechina, Fabio Armiliato and Knut Skram; 8pm; Feb 28; Mar 2

HOUSTON EXHIBITION

The Menil Collection Tel: 1-713-525-9400 Eve Arnold: A Retrosp exhibition featuring more than 150 black-and-white and colour photographs taken by Arnold over a forty-year period; from Mar 1 to Apr

LEIPZIG

MUSICAL Oper Leipzig Tel: 49-341-1261261

West Side Story: by Bernstein.
Conducted by Selffarth and performed by the Oper Leipzig: 7.30pm; Mar 1, 2 (7pm)

LISBON CONCERT

Grande Auditório da Fundação Guibenklen Tel: 351-1-7935131
Orquestra Guibenklen: with conductor Frans Brüggen and planist Pedro' Burmester perform Beethoven's Rondo for Piano and Orchestra and Symphony No.2: 9.30pm; Feb 29; Mar 1 (6.30pm)

■ LONDON CONCERT

St John's, Smith Square Tel: 44-171-2221061 Gundula Janowitz: accompanied by planist Kelvin Grout. The soprano performs songs by Schubert, Schumann and R. Strauss; 7.30pm; Wigmore Hall Tel: 44-171-9352141

Steven Osborne: the planist performs works by J.S. Bach. Beethoven, Clapperton and Liszt; 7.30pm: Feb 27 DANCE Royal Opera House - Covent

Garden Tel: 44-171-2129234 Giselle: a choreography by Pepita to music by Adolf Adam, performed by The Royal Ballet. Soloists include Aviana Durante and Irek Mukhamedov; 7.30pm; Feb 29

MADRID

OPERA Teatro de la Zarzuela Tel: 34-1-4298225/6 La Cenerentola: by Rossini. Conducted by Antoni Ros Marba and performed by the Teatro de la Zarzuela. Soloists include Jennifer Larmore, Rockwell Blake and Manuel Lanza; 8pm; Feb 28; Mar 3

NEW YORK CONCERT

Avery Fisher Hall Tel: 1-212-875-5030 Symphony No.6: by Mahler. Performed by the New York Philharmonic with conductor Daniele Gatti; 7.30pm; Feb 27

Metropolitan Opera House Tel: 1-212-362-6000 Aida: by Verdi. Conducted by Christian Badea and performed by the Metropolitan Opera. Soloists include Nina Rautio, Dolora Zaiick, Michael Sylvester and Juan Pons:

8pm: Feb 28; Mar 2 (1.30pm)

PARIS CONCERT

Salle Gaveau Tel: 33-1 49 53 05 07 Joseph Kalichstein, Jaime Laredo and Sharon Robinson: the planist, violinist and cellist perform works by Brahms, Dvorák and Beethoven; 8.30pm; Feb 28 Yury Boukoff: the pianist

performs works by Beethoven; 8.30pm; Feb 27 DANCE L'Opéra de Paris Bastille

Tel: 33-1 44 73 13 99 Le Parc; a choreography by Angelin Preliocal to music by Mozart, performed by the Ballet de l'Opéra National de Paris, the Orchestre de l'Opéra National de Paris with conductor Bertrand de Billy, and planist Jean-Yves Sébillotte. Soloists include Isabel Guérin and Laurent Hilaire (Feb 27, Mar 1), and Elisabeth Maurin and Manuel Legris (Feb 28, Mar 2); 7.30pm; Feb 27, 28; Mar 1, 2

ROME **OPERA**

Teatro dell Opera di Roma Tet: 39-6-481601 Turandot: by Puccini. Conducted by Yuri Ahronovitch and performed by the Opera di Roma, Soloists include Valentina Sidipova; 8.30pm; Feb 27, 29; Mar 2 (6pm)

■ STOCKHOLM DANCE

Kungliga Teatern - Royal Swedish Opera House Tel: 46-8-7914300
Royal Swedish Ballet: perform George Balanchine's choreography Theme and Variations to music by Tchaikovsky, and Kenneth MacMillan's choreographies Pavane, to music by Fauré, and Song of the Earth, to music by Mahler; 7.30pm; Feb 29; Mar 1, 2 (3pm)

VIENNA CONCERT

Konzerthaus Tel: 43-1-7121211 Solomon: by Handel. Performed by the Wiener Singakademie and the Akademie St Michael, conducted by Herbert Böck; 7.30pm; Feb 27

WASHINGTON

CONCERT Concert Hall Tel: 1-202-467 4600 National Symphony Orchestra: with conductor Eri Klas and violinist Thomas Zehetmair perform works by Liadov, Prokofiev, Davids and Tchaikovsky, 7pm; Feb 27

WORLD SERVICE BBC for Europe can be received in western Europe on Medium Wave 648 kHZ

(463m)

EUROPEAN CABLE AND SATELLITE BUSINESS TV (Central European Time)

MONDAY TO FRIDAY NBC/Super Channel:

FT Business Morning

10.00 European Moriey Wheel Nonstop live coverage until 14.00 of European business and the financial markets

17.30 Financial Times Business Tonight

Midnight

Financial Times Business Tonight



Michael Prowse · America

Hat trick for Alan

Greenspan wins another term at the Fed despite White House fears that tight monetary policies are depressing growth

It is time to breath a sigh of relief. At last, President Bill Clinton has nominated Mr Alan Greenspan for a third term as chairman of the Federal Reserve. After months of vacillation, he also announced surprisingly sensible candidates for other Fed vacancies. He wants Ms Alice Rivlin, his budget director, to succeed Mr Alan Blinder, the Princeton economist, as Fed vicechairman, and Mr Laurence Meyer, an economic forecaster, to fill a second vacant

governorship. Mr Greenspan's renomination was expected. Indeed, Mr Clinton's advisers realised long ago that no candidate more ideologically acceptable to the White House would have any chance of winning the confidence of either Wall Street or the Republican-controlled Senate.

Yet news of his impending renomination still contributed to a 90 point surge in the Dow Jones index last Thursday. This was not at all irrational. Mr Greenspan's judicious monetary decisions and sagacious congressional testimony have come to seem indispensable. At a time when financial markets are jittery and the economic outlook uncertain, a steady hand at the Fed - still the world's most influential central bank - is more important than ever.

Mr Greenspan (whose Senate confirmation is a formality) will nevertheless begin his third term amid growing criticism that restrictive Fed policies are depressing the economy. Figures last week showed that growth slowed to an annual rate of 0.9 per cent in the fourth quarter of last year, growth for 1995 as a whole was 2.1 per cent, the slowest since the 1990/91

Mr Clinton has made no secret of his belief that the Fed has put excessive emphasis on fighting inflation. "We ought to debate whether conventional wisdom on how fast this economy can grow is

can also subscribe.

to Finance.

last week Ms Laura Tyson, his late 1970s, when she served as appointees. The framework for top economic aide, declared there was no better place for this debate than on the Fed's

policy-making open market Mr Clinton had hoped to temper Mr Greenspan's influence by nominating an explicitly "pro-growth" candidate

for the Fed vice-chairmanship. He initially signalled that he wanted Mr Felix Rohatyn, the New York investment banker and a passionate advocate of higher government spending. to fill the Blinder vacancy. But Mr Rohatyn was vetoed by conservative Republicans, which was fortunate because he would have been a polarising figure at the Fed. He would have become an instant target for criticism in financial markets which were far from happy with Mr

The task of advancing Mr Clinton's "growth agenda" thus falls to Ms Rivlin and Mr Meyer, who seem likely to win Senate confirmation fairly easily. Ms Rivlin, an economist whose expertise lies mainly in fiscal policy, has not previously shown any interest in a Fed job. But she could prove a clever choice. She has known Mr Greenspan for years and has enjoyed the respect of both Democrats and Republi-

Blinder, a moderate by com-

the first director of the nonpartisan Congressional Budget Office. She is more experienced politically than Mr Blinder, better at handling the media and less likely to adopt a confrontational stance. If Mr Clinton is still around when Mr Greenspan retires, she just might become the first woman to lead the Fed.

Mr Meyer, an economics professor at Washington University in St Louis, also seems a sensible choice. He runs his own economic consulting firm which has won awards for the accuracy of its forecasts. And he seems to be a non-ideological type with mainstream views: his forecasting model draws on monetarist, Keynesian and supply-side theories.
If confirmed, Ms Rivlin and Mr Meyer are most unlikely to persuade the Fed to adopt

favoured. Over nine years Mr Greenspan has acquired great influence within the Fed. Yet even he has to accept the collective decisions of the open market committee. Five of the 12 voting seats are held (on a rotating basis) by the presidents of the Fed's regional banks some of whom are more hawkish than Mr Greenspan. And three of the seven governors

more expansionary policies

than it would otherwise have



right," he said recently. And Faces for the Fed: Alice Rivlin (left) and Alan Greenspan

the LIX edition of the Financial Times, to which international readers

comprises 29 modules ranging from Marketing to Business Ethics,

Stratagic Management to Organisational Behaviour and Leadership

cusiness schools - London Susiness School, Wharton (US), and IMD

(Switzerland) - the course examines the latest thinking and current management practices, it builds into a valuable resource for those

considering further business qualifications and provides practical guidance

The series of tabloid supplements, sponsored by United Airlines,

Written by over fifty academics from three of the world's leading

the committee's decisions. moreover, will continue to be set by the economic forecasts produced by the Fed's large professional staff.

But Mr Clinton should not worry, because it is highly improbable that restrictive Fed policies are depressing US economic growth. The White House's unease in part reflects the impact of statistical changes that have reduced measured growth by about half a percentage point (with out, of course, affecting the real economy). The conventional wisdom today (reflected in the latest report from Mr Clinton's Council of Economic Advisers) is that the economy can enjoy sustained annual growth of no more than 2 to 25 per cent.

Mr Greenspan, if anything, takes a more optimistic view because he is scentical of official economic statistics, particularly estimates that show little increase in productivity growth since the 1970s despit much restructuring and technological progress. In any case, as he said last week, the Fed does not base policy on theoretical estimates of potential growth.

It tightened policy aggres sively in 1994 not because it thought growth was exceeding some arbitrary speed limit but because clear signs of eco nomic strain - such as rapidly rising rates of capacity utilisa tion and rising materials prices - had emerged. It began to ease policy last year as soon as the strains began to dissipate. It will cut rates further if unemployment rises

and inflation stays subdued. In truth, the Fed is already pursuing the kind of pragmatic policies favoured by most Democrats. Its goal is to achieve the maximum possible growth rate. Mr Greenspan differs with Mr Clinton only in having a clearer understanding of the lesson of the 1970s: that keeping inflation low is a precondition for sustained growth of living stan-

Mastering Management is a 20

week series being published in

LETTERS TO THE EDITOR-

Number One Southwark Bridge, London SE1 9HL

We are keen to encourage letters from readers around the world. Letters may be faxed to +44 171-873 5938 (please set fax to 'fine'). e.mail: letters editor@ft.com Translation may be available for letters written in the main international languages.

No bias towards Berlusconi on Italian TV

From Sen. Livio Caputo and Mr Riccardo Pera MP.

Sir, In your editorial "Italy at the polls again" (February 19), you said that Mr Silvio Berlusconi, besides owning three commercial TV channels. has managed to place his supporters in the most powerful position in the RAI state television service and that "the bias in broadcasting

ranges from the blatant to the

subtle, but it is undoubtedly pervasive'

We must stress most forcefully that this is not true. Statistics published on the very day of your editorial show that during the last 12 months the RAI news services dedicated more time to the Democratic party of the left than to Forza Italia and Alleanza Nazionale and that the RAI 3 was just as biased in

private Fininvest channels was national newspapers are also towards the right.

Besides, the two most important newscasters of RAL Mr Biagi and Mr Santoro, and the most important host of a talk show on Channel 5 (nominally a Berlusconi channel), Mr Maurizio Costanzo, notoriously belong to the parties of the left and make no effort to hide their

favour of the left as one of the .. partiality. And since most on the side of the centre left. you will find Italy's media situation is very different from your description.

> Livio Caputo, Forza Italia foreign affairs Riccardo Pera. Italian parliament, Rome, Italy

Monetary union a political decision in Germany

From Mr Jan-Peter Olters. Sir. I do understand that Emu-critical Bundesbank statements raise the hopes of British Euro-sceptics that maybe - the Euro-spectre will just evaporate, and, in its wake, will allow them to overcome their political

olation in Europe. As much as the desire not to be alone is understandable. interpretations such as the ones offered by Lex on February 16 - "For Chancellor Kohl to force through monetary union against the explicit advice of the Bundesbank is virtually unthinkable" - plainly contradict political reality in Germany. This dictates that decisions regarding exchange rate regimes are made by the

government rather than the Bundesbank. In instances in which the German political elite has made fundamental decisions regarding exchange rate regimes, the Bundesbank's misgivings have been completely ignored: in 1978. when Helmut Schmidt's political determination secured the implementation of the EMS

project, and in 1990, when

Helmut Kohl's enthusiasm by-passed Frankfurt when deciding on the date and details of monetary union

etween the two Germanys The only strategy with which the German central bank can avoid being an integral part of a new whole is to shed some doubt on the economic and/or political desirability of the Emu project. with the aim of weakening the government's perseverance in ssing ahead with Maastricht and the timetable towards the 1999

implementation of the Euro. There is little if any indication that Bundes! objections will deter Chancellor Kohl from pursuing what he considers to be the natural complement to German unification: a European Germany firmly anchored within a unified continent, economic details notwithstanding.

Jan-Peter Olters, department of economics, McGill University, 855 Sherbrooke Street West, Montreal, Quebec, Canada H3A 2T7

Europe should not let its backyard be policed by US

From Mr George Chrysophinis. Sir, Edward Mortimer ("Time for a larger role", February 14) seems to forget two reasons which may explain why the US has been more present than Europe in international conflicts, particularly in the European arena. One is that after the second world war the US was one of the two figureheads of the Cold War along with the Soviet Union. Its actions, ranging from nuclear build-up to armed intervention, stemmed from a strong ideological position. During these 50 years the US capacity for intervention was sharpened while in the case of Europe, where the emphasis during the same period was to prove that it could live in

peace, it was not cultivated. The second reason is more directly related to the ex-Yugoslavian conflict. Europe's indecisiveness and division is explained by the fact that the history of several European countries is closely intertwined with that of the Balkan states. Rash reactions by European states at the start of the conflict made it difficult for them later to appear

impartial, something that was easier for the US to do. The lack of any comprehensible European ideology makes it both difficult for Europe to react to sudden flare-ups and for the involved parties to anticipate such a eaction or take it seriously. Meanwhile, the US follows an explicit policy of protecting its strategic interests, which is easier for conflicting sides to interpret. Backed with its military clout, the message gets through.

Should Europe sit back and allow the US to police its own, backyard? No, the US can and. does make mistakes. Solutions based on strategic interest alone are not ideal and can be overturned when the occasion arises. Let Europe take the initiative and let principles of justice be its guiding ideology: and if the Bosnian conflict is too complex there are other cases in need of attention. starting with Cyprus, a victim of US realpolitik.

George Chrysaphinis, 6 rue de Monthauron. 78000 Versailles,

Doubt about China's understanding of trade principles

From Mr Toshiya Tsugami. Sir, Your article "China's level playing field" (January 30) reminded me again of the direction the Chinese economic regime is taking. Indeed, some Chinese officials have argued that China need only eliminate its preferential taxes for foreign invested companies in order to adhere to the national treatment principle of the

World Trade Organisation. Disregarding to what extent current WTO rules deal with the issue of national treatment "on person or enterprise". preferential treatment for oreigners never conflicts with the concept of "national treatment" which actually requires "no less favourable treatment" than accorded to

nationals. However, the Chinese view makes us rather pessimistic about whether and to what extent the Chinese people understand the principles of a multilateral trading system.

Put it this way. China's elimination of tax exemption. as discussed in your article. was the first time China had announced a policy change prior to its implementation and this allowed foreign investors to "rush into the brief window of opportunity".

For investors who had spent much time and money to set up joint ventures but had not yet acquired approval, the rumour of the instant elimination of tax exemption had been a serious threat. The

manner of the announcement suggests China is beginning to understand how transparency and predictability are important for a market economy.

becoming more sensitive about a "level playing field" or eliminating discrimination is also important. China should further understand that eliminating discrimination is necessary not only for Chinese state enterprises but also for foreign invested companies. Discrimination against

The fact that China is

foreign invested companies obviously remains in China Most serious, for example, is a quota-like export requirement for foreign invested companies only. If China has made up its

mind to protect "a level playing field", then I sincerely hope that it will also eliminate such discrimination, even if it takes some time.

Apart from whether such discrimination is inconsistent with the current WTO or other international norms, "non-discrimination" and "mutual benefit" are the key elements underlying the multilateral trading system which China wishes to enter.

Toshiya Tsugami, Trade Policies Review Office. Ministry of International Trade and Industry, 3-1, Kasumigaseki 1, Tokyo.

Samuel Brittan

Dilemmas in pension reform



the welfare state is in a crisis, it certainly Many of these arise from the problems of accommodat-

ing an ever greater proportion of pensioners in relation to the working population.

in the UK, social security expenditure accounts for 40 per cent of total public spending. Of that, 44 per cent goes to expenditure on the elderly. Nevertheless, according to the Organisation for Economic Co-operation and Develop-ment's projections, the future UK pensions bill does not saten to put an overload on national finances. Indeed, at present levels of taxes and charges the British government should be able next century to repay some of the national debt, reduce taxes or increase government spending

or some mixture of all three. You may believe that or not. But contrast the projected trends in other countries. In France and Germany the national debt will have doubled and will exceed national income by the year 2030. In Japan the debt will have trebled. These assumptions, based on unchanged taxes, are of course artificial: in European countries, for example, taxes or social security contributions will have to be raised to meet the Maastricht criteria for monetary union if pension schemes are not reformed.

Unfortunately, too much of the discussion of pensions reform is bogged down in the details of particular systems. It is time to state a few basic principles in terms of real

 The allocation of income between spending and saving

ple will want to save heavily for retirement and other contingencies, while others will prefer to spend most of their incomes when they earn them. There is no warrant for imposing the preferences of any group over all the population. • There is a minimum level below which citizens will not want their fellow citizens' standard of living to be reduced however improvident they have been in the past, or how-ever unfortunate they have

 Whatever actuaries may say, there is no way by which the burden of pensions can be transferred from one period to another. All pensions have to be provided from the present national income. Even funded schemes can only give rights to a share of this year's national income. They cannot transfer resources from this year to another year 40 years away. The economic reality is that today's workers pay taxes and contributions to pay for today's pensions on the under-standing that the next genera-

been in obtaining pensionable

There is still room for improvement. It is more important to encourage work opportunities for older people than to tinker with

pension reform.

is one for an individual or tion of workers will do the household to make. Some peo-same for them. same for them. Reform can ease the burden of providing pensions if it

raises the present national income. It may do so by improving work incentives or as I should prefer to say - by removing disincentives. For instance, if it is really true that workers regard contributions to occupational or personal pensions as remaining in some sense part of their income. then such schemes will not have the same disincentive effect as social insurance contributions which are regarded as akin to taxes.

Reform can also help if it improves the future national income. The main way in which it can do so is by improving the national savings ratio. To a liberal this should be a matter of removing any anti-savings bias in the present system rather than imposing forced savings in Soviet or Singapore style.

The problem with these principles is that they clash with each other. There is an apparent clash between the first the voluntary choice of how much to save - and the third, the impossibility of shifting burdens between generations which obliges those working now to pay now. Old fashioned texts would resolve the conflict by saying that the rate of interest brings into balance the desire to save with the requirements for investment for pensions and other purposes.

A more genuine conflict is between the first principle of free choice in provision for the future and the second, compassionate one embodying a minimum income or all. Once it is decided that there should be a minimum living standard in retirement, some element of compulsory contribution becomes justified.

The current British system is rightly a compromise. The state pension, together with means-tested top-up payments known as income support, provides the basic minimum. A second tier is provided by the requirement that people should save nearly 5 per cent of their incomes in earnings-related schemes either in the private sector or in a fall-back state scheme. The third tier is left to voluntary corporate or per-

sonal schemes. The better financial position of UK state pensions owes something to demographic factors. But it is also due to some controversial decisions on its structure. The basic state pension is now increased in line with inflation and not in line with average earnings. In addition the age for qualifying for this pension is to be harmonised upwards so that for women, as well as for men, the pension starts at 65.

But there is still room for improvement. The most worrying feature of the British scene, which was mentioned in a recent speech by Mr Peter Lilley, social security secretary, is that only 2 per cent defer collecting their state pensions beyond the statutory official retirement age - despite substantial increases in the amount paid when pension is deferred. This problem, which may arise partly because of the financial treatment of part-time work and other small-print snags to their working longer, means an increased burden on the rest of the population

With the increased lifespan and improved health of older people, it is more important to encourage work opportunities for this group than to tinker with pension reform. It is here that the true direction of \$ change should lie.



At £60 for readers in mainland Europe (£70 for readers in the rest of the world), you can have the series delivered weekly, or complete at the

for everyone involved in business management.

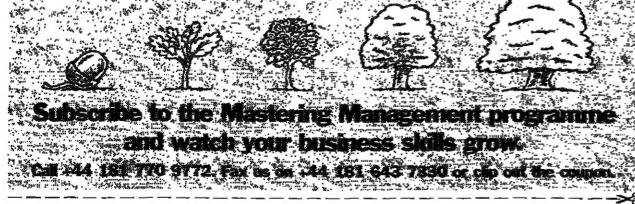
A CONTRACTOR OF THE PROPERTY OF THE PARTY OF

Financial Times.

World Business Newspaper.

end of the course. Subscriptions can be taken at any point during the series, and you can write or call for individual issues you may have missed. Should you want to cancel your subscription at any time, we will credit

you for the Issues you decide not to receive. Subscribe now to make sure you don't miss out; lines are open 24 hours a day.



Name	🗅 l'enclose a Eurocheque 🕒 l'enclose a bankurs éraft		
Job Title	(£60 maintand Europe, £70 rest of the world both made payable		
Address	to FT Mastering Management.)		
	© Visa ⊕ Access ⊕ Mastercard ⊕ Switch ⊕ Visa Delta ⊕ Eurocar		
	receive the contract of the co		
Telephone	Card No.		
Signature Date	Expiry Date Switch leave number		

Number One Southwark Bridge, London SEI 9HL

Monday February 26 1996

Australia's

tight finish

it starts to expand.

Six days is still a long time in

Australian politics, and Mr

Howard has a reputation as a tough fighter himself. But he has

relied too much on the electorate's

desire for a change, and not

enough on presenting a clear

alternative. If he fails, that will be

exchange has appeared increas-ingly uncertain of its position.

thinks order-driven trading could

co-exist with the present system.

It has not thoroughly aired in pub-lic the question of who should pay for such reforms: the traditional

from the changes, or the wider

community of market participants which could benefit. Above all, the

exchange still appears ambivalent about whether it is as a trade

association representing member

firms, or a body serving that

That central question of the

exchange's long-term role has con-

fronted its board for longer than

Mr Lawrence or his predecessor

Mr Peter Rawlins were employed

It will not go away. The board,

and those who oppose reforms,

cannot ignore the shift of power

within the industry - away from

stockbrokers and traders towards

institutional investors - which

will exert increasing pressure on

Responses to the exchange's

current consultation exercise will

provide a useful indication of the

industry's feeling; but it will also

confront the exchange more

starkly with the central question:

which long-term interests is it

supporting? Until that issue is set-

tled, any new chief executive will

face the same almost impossible

job of reconciling conflicting inter-

broking margins.

broader group of market users.

It has not made clear whether it

FINANCIAL

A few weeks ago the outcome of

the Australian election seemed a foregone conclusion, with Mr Paul

Keating's Labor government trailing 10 points adrift in the polls. Now with just six days to go, it is the Liberal-National oppo-sition which appears to be on the

defensive. The gap is down to a very few percentage points, and Mr John Howard, the Liberal

party leader, is stumbling in the

Of course, no one should ever

have underestimated the pugna-cious Mr Keating, who managed to

snatch victory from defeat in 1993.

He is a formidable campaigner,

and a ferocious parliamentary per-

former. But his administration has scarcely been scintillating, and the Labor party looks

lacklustre after 13 years in govern-

The trouble is that the opposi-tion has also been short of ideas,

or at least unwilling to spell them

The Liberal party is in danger of

ing it wrong twice, for opposite reasons. In 1993, Mr John

Hewson, the former banker and

IMF economist who was then

party leader, put forward an impressive agenda of economic

reform to tackle Australia's under-

lying structural problems of low

savings and inflexible labour mar-

kets. He lost because he commit-ted himself too far, in particular

by promising new taxes on con-

sumer spending to balance the

budget, when the country was in

The London Stock Exchange says

it is looking for a chief executive.

It should be in search of a role for

itself as well. If it ducks the ques-

tions of why the last two chief

executives left prematurely, and of

its long-term future, the new

appointee will find necessary reforms are once again frustrated. Since Mr Michael Lawrence left

the post last month he has elabo-

rated on the problems he faced at

one of the UK's most traditionally

minded institutions. In written

evidence to the House of Com-

mons Treasury select committee,

he implies that the Exchange

k ked off from its intention to

introduce order-driven trading,

one of the most contentious and

far-reaching changes now under

Order-driven trading would

match buyers' and sellers' orders

automatically. At present, market-

makers post constant two-way

prices in all shares, making

The change would cut investors'

dealing costs, at market-makers'

expense. But critics fear that

liquidity in some shares would

Pressure for reform has come

both from new technology, which

makes matching of orders possi-

ble, and from growing competition

with overseas exchanges. Yet a

range of insurance companies,

pension fund managers, market-

making banks and private client

stockbrokers, have told the

exchange that they oppose

oney from the bid-offer spread.

consideration.

This time round, Mr Howard the cause.

Stock exchange

final straight.

out in detail.

Table .

1.2.5

4100 Justin

1.00

1.7.50 B

10 to 10 to 20 to

principles

past ten days has been a contemptible mixture of distortion and bluster. This only reinforces Sir Richard Scott's strictures about a governing mentality which places survival above truth, convenience above responsibility. be defeated is simple. The Scott report finds ministers guilty, over a prolonged period, of serious violations of their democratic duties.

The case for the government to Yet the government pretends that it has been vindicated on all fronts, just because it was not censured for the still more serious charge of conspiring to prevent three businessmen from defending themselves properly against a triminal prosecution brought by

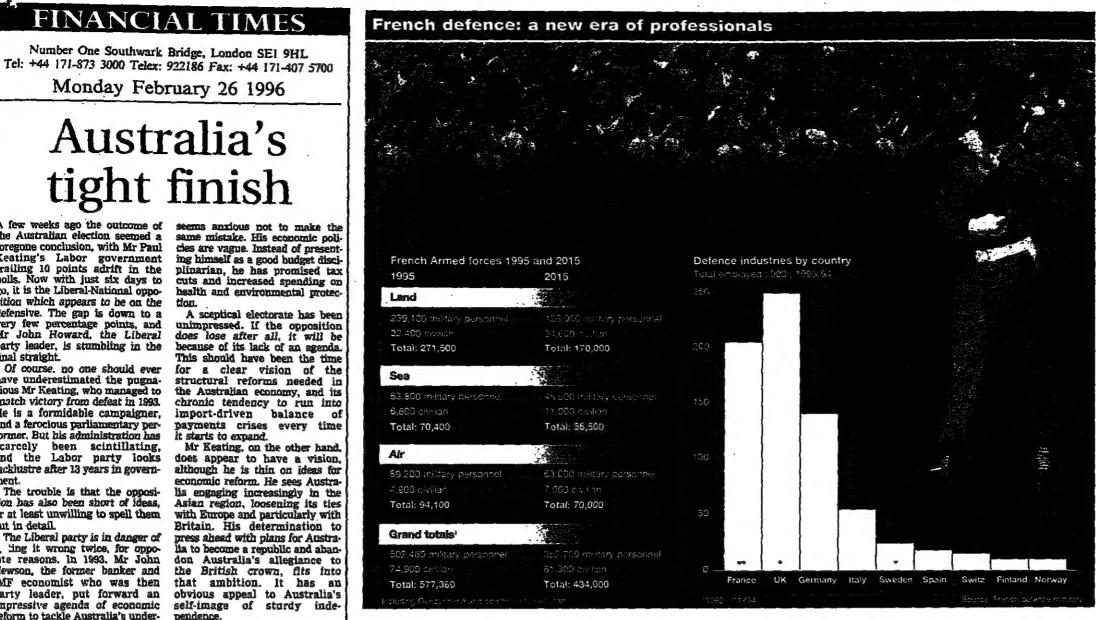
Mr Michael Heseltine, the deputy prime minister, has gone so far as to claim that there would have been no need for the Scott inquiry had its conclusions been known in advance. He says this of a report which finds that a minister still in office knowingly misled MPs over a lengthy period about policy on arms sales to Iraq; which finds that this was done because of fear of "strong public opposition" were the truth known; and which finds that the government's chief law officer - also still in office - was "personally at fault" for failing to address "important constitutional and legal issues" raised by the use of public interest immunity certifi-cates in the Matrix Churchill trial

There is no likelihood of the government falling as a result of the vote on the Scott report, even if it loses tonight. The resignation of Mr Peter Thurnham - the third Tory MP to leave the party in recent months - further weakens Mr John Major's grip on office, revealing growing disillusion among those on the party's moder-ate wing. But the defection does not threaten an immediate election. The debate today should therefore focus on the Scott report

The government's stated willingness to reconsider the regime for licensing arms exports is wel-come but inadequate. If ministerial accountability to parliament applied as it should, the two ministers heavily criticised by Scott would have resigned and the gov-ernment would today be present-ing proposals to MPs for dismantlsecrecy surrounding policy on the

sale of defence equipment abroad.

A government defeat might still these outcomes - greater open-ness and public debate. It would also show that MPs within the governing majority place the duty as MPs to ensure ministerial accountability for executive actions, above narrow party



A 21st century army

Chirac's plans for reforming the French military will not be universally welcomed, says **David Buchan**

hen President Jac-Chirac week that he intended to reform France's military forces and arms industry, be was strikingly frank about what he thought was wrong

The Gaullist president compared France's partly conscripted army unfavourably to the UK's smaller, all-professional force. With the 1991 Gulf war, and perhaps Bosnia, still in mind, Mr Chirac complained that France was unable to "project" abroad a fighting force of more than 10,000 men "in a rapid and organised manner". And the country's defence industry, for all its technical competence, was "much too fragmented...to entertain a real international ambition" in a com-

petitive world arms market. But he also set out some ambitious targets for the future. By the time conscription was phased out in 2001, France's fully-professional forces - even though a third slimmer - would be on a par "with the best in the world, notably the British army". In a pep talk to his 500 top officers, he went further: "France must be capable of being at the head of a [international] coalition with the command structure to control it". As for French arms exports, "we should be first, or at all events second if we cannot match the Americans".

France's commander-in-chief is clearly not sounding a retreat. Indeed, in the context of France's recent rapprochement with Nato, Mr Chirac's defence pronouncements last week can be read as a sign France wants to play not just a leading, but the leading, role in the Atlantic alliance's European pillar. First, however, must come the dif-

ficult "downsizing" and regrouping. The force cuts - from a total of 500,000 to 250,000 early in the next century - will be the biggest since the end of the Algerian war, when French forces shrank from 1.16m to will involve combat regiments being cut from 129 to 85, and the reforming of much of the army into four elite units (heavy armour, light armour, mechanised, and assault infantry) of 15,000 men each.

With more appropriate amphibious and air support, these units would enable France, Mr Chirac told his officer corps, to dispatch up to 30,000 men (the same number Britain sent to the Gulf) to some distant theatre while simultaneously sending 3,000 to 5,000 troops elsewhere (probably to Africa, where France has several bilateral defence pacts that Mr Chirac intends to maintain).

Naturally, Mr Chirac stressed that France retained its military commitment to Germany and to their shared Eurocorps. The future mix of German conscripts with French professionals may give Eurocorps adjutants a headache. while the end of conscription in France might prove contagious in Germany. But the real problem for Germany may be that France will want to make active foreign use of the Eurocorps - particularly in the context of a reduced French army faster than Germans are politically

teaching, and devote himself

Schwab and Smadja are

Cattaui will not be replaced but Davos insiders observe that both

absent-minded intellectual types.

One wonders how they will keep

the show on the road without at

Female touch

st some sergeent-majoring

■ Unilever seems to be perfecting

the art of putting its chin in the way of arch-rival Procter &

Gamble's fist. The effects of the

company pulling its flawed Persil and Omo Power products were still

washing around when the scene

Unilever has now asked an

Ontario court to ban a TV ad for

statement that "compared to the

leading beauty bar, Oil of Olay holds more moisture to your skin".

t-so-subtle reference to Dove, its

P&G's Oil of Olay moisturising

soep. It took exception to a

Unilever claimed this was a

European "soap wars" that

resulted in the Anglo-Dutch

moved to Canada.

or psychologically prepared for. Mr Chirac is aiming at cheaper as well as better defence. Tomorrow's 170,000 professional soldiers would cost the same in pay as today's partconscript 270,000-strong army, but would require fewer weapons and therefore be less expensive overall.

Any downward pressure on the defence budget will obviously help France in 1997, when it comes to try union. But the government will have to cater, in other parts of its budget, for two other defence-related costs. First, the government has prom-

ised to recapitalise state-owned defence companies, which collectively have asked for more than FFr20bn in fresh funds. Second, the government has

pledged to soften the blow to individuals and communities of base closures and defence industry restructuring. Indeed Mr Chirac has rejected as "absurd" fears of mass redundancies, though government ministers forecast the defence industry will continue to lose some 10,000 jobs a year, a recent parliamentary report estimated that to try to create alternative jobs for all those streaming out of the defence sector would cost FFr30hn.

Apart from the Paris region, and from Provence and the Riviera which attracted the post-1945 nuclear and space industries, many traditional French defence companies are, for obvious historical reasouth-west in order to be as far from Germany as possible. Yet it is precisely proximity to the German market that many investors in France seek these days. Can Mr Chirac carry all this off? Or is he in danger of trying to

tackle too much at the same time as his prime minister, Mr Alain Juppe, has done on welfare reform? Initial reaction to the defence reforms seems favourable. But Mr Chirac is taking several

chances. One is his pledge personally to ensure that no region or town suffers from base closures or job losses. Normally, in the French system, it is prime ministers that take the direct heat for unpopular presidential decisions; that is why they change so often. Now Mr Chi rac has effectively invited mayors of towns such as Tarbes in the Pyrenees, which is home to 1,800 Giat workers and 2,000 paratroopers, to level their anxieties about jobs

straight at him. Mr Chirac may also meet a disappointing reaction abroad. Nato and the European Union, in its intergovernmental conference that opens next month, may fail to add any cement to the European defence pil lar Mr Chirac wants to build. He has invited European defence companies to forge new alliances with their French counterparts, but they may not want to do so on his terms. Even if they do, certain govern-ments - notably the UK - may never commit themselves to "buy European" to the extent that Mr Chirac wants.

it is therefore possible that Mr Chirac will not be able to persuade other Europeans to follow the lead he clearly plans to give them, in the field and in the factory.

Defence groups seek allies

rench defence companies have waited years for the government, their main client and in many cases their owner, to take long-overdue restructuring decisions. Their vigil

Industrialists and investors, who sent defence stocks bouncing up and down on the Paris Bourse last week, are digesting the government's plans to merge aircraft com-panies Aérospatiale and Dassault, to privatise the Thomson electronics group and to squeeze the

long-term defence budget.
The latter is not good news for the equipment-makers. They will have to share out FFr85hn a year over the 1997-2002 period, when only a couple of years ago they hoped they could count on the annual average of FFr104bn written into the current 1995-2000 defence programme - although the government never respected this, and stealthily pruned hardware spending to around FFr90bn last year.

The country still has the seven major weapons assemblers and contractors - Aérospatiale, Dassault, Thomson-CSF, Matra (missiles), Giat (tanks), Snecma (aero-engines), DCN (ships) - that it had nearly 30 years ago. Some rationalisation is now inevitable. Hitherto only Matra, part of the privately-owned Lagardère group, has felt free to speak out on this; last year it said it wanted to buy Aérospatiale's satel-lite operations. Now regrouping is official government policy. But Mr Chirac's call for "a very

big defence electronics pole created around a privatised Thomson raises the danger of the French tra-dition of Colbertist industrial interventionism going too far, and creating some unwieldy behemoth

And while the Thomson group requires recapitalisation for its sale, other state-owned companies need fresh funds even without privatisation. The needs of Aérospatiale, which has asked for FFr10bn in new money, may be met by marriage to Dassault, which is said to have a cash pile of about that amount. But since most of this is Taiwan's advance payments on the Mirages it is buying from Dassault, it may not be a real dowry.

Giat, meanwhile, has reported a FFr11bn hole in its 1995 accounts and this must, by law, be partially filled by the end of 1996. The sorry case of Giat has other unfortunate ramifications. This collection of army arsenals was formed into a company in 1990, but not allowed to close any sites or lose any jobs. The defence ministry repeated last week that no forced lay-offs would take place, even though Giat's management says half its 12,500 workforce is effectively redundant.

Job promises made to Giat can hardly be denied to DCN, all the more so because the nine DCN yards and factories are still government arsenals and DCN's 25,000 employees are still civil servants. Mr Chirac and his government

are urging French defence companies to forge new European alliances. Many have already done so. Thomson-CSF and Matra have significant UK partners, and Aérospa-Daimler-Benz Aerospace. Others have hopes. Giat has Royal Ord-nance in the UK and Krauss-Maffei in Germany in its sights, and DCN wants to develop links with UK and Italian yards with which it is building frigates. But they all the government to give them a freer hand.

Inviting defeat

UK ministers not only deserve to be defeated in tonight's parliamentary vote on the Scott report, they are positively inviting it. Their ponse to the report over the

ing the endemic and unnecessar,

produce at least the second of standing of parliament, and their

OBSERVER she decided to walk - prompting Schwab to give up his university

Slippery slope

Sounds of head-banging at The World Economic Forum, the organisation behind the annual schmoozerama at the Swiss ski resort of Davos. Maria Livanos Cattaui, who has managed the WEF secretariat with the finesse of a sergeant-major for the past 15 years, is packing her bags.

Cattaui's long survival has been a mystery to many, as her own schmoozing skills have rarely been in evidence. On the contrary, her tyrannical ways have more than occasionally irritated corporate

Late last year, Klaus Schwab, the WEF's founder and boss, told her that Claude Smadja, a former adviser and director, would be returning to the WEF as joint managing director. Smadia, head of information at French language Swiss television in Geneva, would take over the running of Davos and the growing number of "regional summits", while she would be responsible for improving interpal

Cattaui's new assignment seemed a curious one as her relations with the computer were also less than cordial. She was still organising the immensely complex Davos jamboree with the aid of huge wall charts and several With the 1996 Davos behind her,

best-selling soap. Madame Justice Tamarin Dunnet not only dismissed Unilever's complaint, but rubbed soap in the wound by giving her own nent. Based on evidence from three experts, the judge

concluded that P&G's ad "conveys

the general impression that Olay Bar is superior as regards moisture retention, which is true."

Only connect

■ Dead bodies on the front page of Thailand's most influential, but luridly illustrated, daily newspape are nothing unusual. But last week it was the body of the paper's founder, Kamphol Vacharaphol who died at the age of 76, that Thai Rath was featuring. Standing over him, performing a Buddhist hathing ceremony, was Crown Prince Maha Vajiralongkorn, the black sheep of the royal family and heir to the country's throne.

The pair were friends, and royal protection often gave Thai Rath which has a waiting list for advertising space - the confidence to print stories other papers would not touch. The paper's exposure of a land reform scandal in late 1994. nearly unseated the democratically inclined government of former prime minister Chuan Leekpai. It remains to be seen whether Kamphol's eldest children, a son running editorial and a daughter in charge of the business side, have their father's flair - or his connections.

Funny money

■ The Germans may be jully good at making things, but, as many a visitor can testify, they have a lot

to learn when it comes to service. Still, help could now be at hand for all who have searched vainly for the smiling taxi-driver or hotel porter. Chancellor Helmut Kohl himself has warned his fellow citizens that they most be more cheerful if they want to make a

success of tourism. At a meeting in the chancellery st week, industry bigwigs wrung their hands over the need for innovation, more business start-ups and risk capital to ginger up a lacklustre tourist sector. Only Kohl dared to state the obvious: "We mustn't just be diligent. We must be friendly as well."

The chancellor is well-placed to compare conditions at home and abroad. During the past three months his peregrinations have encompassed China, Vietnam, Spain. Russia, and this week. Sangkok. It's also easy to smile when you're about to step on a plane bound for somewhere

Alter-wise

Father Rieran Blake knew something was wrong when he entered his church in the small village of Tir an Fhia in Connemara in the west of Ireland. I knew something was missing", Father Blake told the Irish Time "I was so shocked that it took me 10 minutes to figure out what it was." Thieves had made off with. the altar.

Financial Times

100 years ago Obstinacy of manufacturers

An instance of the obstinacy sometimes displayed by British manufacturers in refusing to adapt themselves to foreign markets is given in a Consular report just issued on the trade of Turkey. A leading importer of Manchester goods writes from Salonica to say that an English firm positively declined to make handkerchiefs of the size required in Macedonia. In vain the importer offered to give a sample order for 30,000 dozens: the good old British manufacturers refused to produce anything but the sizes which they were accustomed to turn out, paying no heed to the special requirements of the Macedonian nose. A large order was thus lost and went to Switzerland.

50 years ago South Africa's Budget South Africa's first post-war Budget, which may well prove the most momentous for the Rand gold-mining industry for a decade, will be disclosed by Mr. Hofmeyr, Union Finance Minister, on Thursday. It has been widely hoped that some of the industry's heavy tax burden - taxation takes some 68 per cent of taxable income - will be removed. Certain Mining shares have rallied from recent low levels, but this is believed to be due more to guesswork than information.

FINANCIAL TIMES

Monday February 26 1996



Fleeting 'triumph' by Forbes is enough to weaken Dole in Arizona

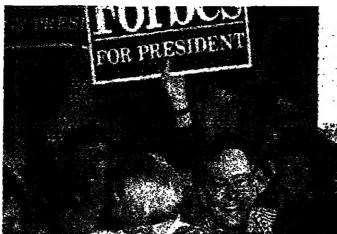
By Patti Waldmeir in Phoenix, Arizona

Mr Bob Dole, Senate majority leader, heads into the US Republican party's presidential primary election in Arizona tomorrow looking increasingly weakened. He lost to Mr Steve Forbes, the millionaire publisher, in the

Delaware primary on Saturday. Mr Forbes's victory in Dela-ware may give his campaign in Arizona a late lift. Opinion polls there show him neck and neck with Mr Patrick Buchanan and Mr Dole at roughly 21 per cent each. Any such boost from Delaware is unlikely to stay with Mr Forbes beyond Arizona in the big southern primaries to follow.

But a strong Forbes showing in Arizona could further damage Mr Dole's campaign. With Mr Buchanan cementing rightwing support behind his surging campaign in this conservative state and Mr Forbes stealing centrist Republican votes from the senator. Mr Dole could slip to an embarrassing third place in Arizona.

Even victory in North and South Dakota, which will also vote tomorrow, could not give Mr Dole the momentum he needs.



Face in the crowd: Republican presidential hopeful Steve Forbes (in glasses) greets supporters in Tucson ahead of the Arizona primary

heading into a cluster of primaries over the next 10 days. The most important of these will be the contests in South Carolina on March 2 and Georgia on March 5. These will provide a glimpse of voter sentiment in the south. They will also test the viability of Mr Buchanan's cam-

the former Tennessee governor, to exploit his southern roots. Delaware's poll was scarcely a true test of electoral strength: Mr Forbes was the only mainstream candidate to campaign. The state's Republican voters rewarded him for his attention, and penalised candidates such as paign for the long haul and the Mr Dole who boycotted Delaware desire of Mr Lamar Alexander. Mr Dole who boycotted Delaware after it had tried to upstage New

Hampshire by holding its poll immediately after the showcase first primary in the New England

Most Delaware Republicans abstained, with only 24 per cent of 139,000 registered party members voting. Mr Forbes won 33 per cent of their support. Mr Dole, who had the support of the state party hierarchy, came second with 27 per cent. Mr Buchanan came third with 19 per cent and Mr Alexander finished a distant fourth with 13

A delighted Mr Forbes called the Delaware victory, his first since the nomination battle began, "a great triumph". But Mr Buchanan, campaigning strongly in conservative Arizona, brushed off this claim, commenting that Steve Forbes finally bought himself a victory in an

uncontested primary".

The winner-takes-all poll gave
Mr Forbes all 12 of the state's delegates to the Republican party nominating convention. Overall Mr Buchanan has 27 delegates so far, Mr Forbes 17, Mr Dole 16 and Mr Alexander nine.

Alarm over protection, Page 5

THE LEX COLUMN

Europe's bitter medicine

Will continental Europe's increased medicine eventually provoke a backlash? From a purist perspective, the more commercial approach shown by European companies, such as Daimler-Benz, Philips and Alcatel-Alsthom, is welcome. So is the fact that some governments are gradually weaning their companies off state hand-outs and running tighter macroeconomic policies in an attempt to meet the Maastricht criteria for monetary union. Harsh measures are needed if European industry is to thrive in an increasingly

competitive global market.
The snag is that, in the short term, such medicine leads to unemployment. So far this year, attention to the bottom line has led Daimler to pull the plug on Fokker and Philips to force large job cuts at Grundig. Equally, the drying up of state aid was a factor behind Bremer Vulkan's bankruptcy last week. Meanwhile, tight macroeconomic policies have restrained economic growth and prevented some countries from bailing out their industries by devaluing their currencies. The result is that Germany's unemployment rate is 10 per cent and

France's nearer 12 per cent. So far, the backlash has been limited. Only in France, where last year's wave of unrest forced the government to dilute its pro-market policies, has it yet had much practical impact.

However, the drive to restructure European industry is accelerating. In the private sector, nostrums such as shareholder value are increasingly taking hold. Moreover, as state-owned groups are privatised, they will face market disciplines. Even France has not abandoned the restructuring process; last week's decision to privatise Thomson SA and merge state-owned Aérospatiale with private-sector Dassault is a precursor to rationalising the defence industry.
Given such a trend, the possibility

of a serious backlash cannot be dismissed. The main worry must be that politicians will respond to social disquiet by loosening macroeconomic polcy or using other short-term palliatives. The transformation of European industry may yet be accomplished without major difficulties, but investors should not count on it.

London Stock Exchange The continuing row over whether the Stock Exchange should modernise its trading system highlights a more fundamental point; the exchange

Unemployment rates % of total labour force (national definitions)

needs to modernise its corporate structure and turn itself into a proper company. Being a club owned by marketmakers and stockbrokers is the underlying source of its current problems. This creates a massive conflict of interest; instead of being able to focus on providing the best services to all its users, including investors and companies, the exchange is constantly forced to run itself in the interests of marketmakers and brokers. Hence, the sacking earlier this year of Mr Michael Lawrence, the chief executive, amid a dispute over whether to modernise the trading system; while his plan would have cut dealing costs, it would also have reduced big marketmakers' prof-

The way to eliminate this conflict of interest would be for the marketmakers and brokers to sell their shares in the exchange to the public - in the process floating it on its own stock market. Such a step should have the added advantage of turning the exchange from a slow-moving bureau-cracy into a sleek commercial animal. Since the exchange would be run for profit, it would have every incentive to cut waste, speed up decisions and devise innovative new services.

Competition authorities would, of course, have to watch out that a commercialised exchange did not exploit its dominance to snuff out rivals and overcharge its customers. But, then again, there is nothing new about the exchange behaving in a monopolistic

UK bancassurance

Having snapped up Gartmore last week, NatWest now wants to get its teeth into a life assurance company. The strategy of developing its long-term savings business - one that

ble one. Baby-boomers are realisme that they can no longer depend on the state to provide for them in old age The result is a trend towards long-term savings rather than short-term deposits.

This makes life assurance an attractive business for banks, which are rightly concerned about the stagna tion of their traditional markets. At present they are awash with capital and keen to do something with it to avoid dilution of their strong returns. on capital. Furthermore, their efforts to develop in-house life assurance have been slow-going. Acquisitions. would bring new client bases, as well as the chance to shunt new products through their branch networks.

All this means that banks are willing to overlook the fact that life assurers are currently feeling the pinch Many mutuals have been losing money, as demand for life policies, product area which requires an expensive infrastructure, has slipped. Confidence in some brand names has been undermined by mis-selling of personal

Meanwhile, the sight of so many building societies being taken over or dashing for flotation has altered the presumptions of mutual life assurers The result is that almost every mutual from Norwich Union down, is considering flotation, sale or closing its books. Abbey National's purchase of Scottish Mutual has shown that addressing concerns about financial strength can get policies back on to independent financial advisers' lists. Banks will have little problem finding willing vendors.

Of course, in the drive to create bancassurance combinations, life groups could also move into banking. Prudential, for example, is building a presence in telephone banking, which may enable it to keep more of the money from maturing policies in house. But such a strategy is only realistic for biggest life groups.

Among the banks, Lloyds TSB (with Lloyds Abbey Life) and Abbey National (with Scottish Mutual) are already ahead of the game. For the likes of NatWest, the key is to find strong brand names and avoid over-paying. This is likely to be easier to achieve by buying mutuals rather than public companies, since mutuals brands generally attract lower valuations. Given the plethora of choice buying sensibly should not be too diffi-cult. Banks will then, once more, be in charge of growth businesses

夢 高 慧

Œ,

Cricke:

Palestinian bombs kill 25

Continued from Page 1

security." Other Likud members were not so reluctant to exploit

"Such tragedies remind Israelis that we are far from the fulfilment of the ringing promises of the Peres administration," said Mr Yossi Olmert, a Likud parliamentary candidate. "It is obvious that when you have a peace process you would not expect to see more violence and bloodshed."

Peace and security will be the dominant issues of the election campaign. Although Mr Peres has been riding a wave of public sympathy since the assassination of prime minister Yitzhak Rabin last November, many Israelis remain deeply sceptical about his ability to take a tough line on

Turkish talks

Continued from Page 1

times over two weeks but they failed to agree over control of the economy.

Refah, which wants to transform Turkey's 73-year secular state into an Islamic republic, also insisted on controlling the religious affairs directorate, the government body which controls and finances mosques.

The directorate is intended to enforce the mosque-state separation that is the cornerstone of secular state.

Mr Yilmaz argued that he could not allow the directorate to fall into "the hands of those with a different understanding

UN accuses Bosnian leaders of pressing Serbs to quit

United Nations relief officials yesterday accused the Moslem-Croat federation and Bosnian Serb leaders of exerting pressure on Serbs to abandon their homes in parts of Sarajevo which are set to come under Bosnian government control under the Dayton Mr Kris Janowski, spokesman

for the UN High Commissioner for Refugees, accused the Bos-nian Serb leadership of manipulating the fears of Serbs about their fate at the hands of the Moslem-led Bosnian government. He also criticised the Moslem-Croat federation for establishing illegal checkpoints and conducting police searches of the homes of Serbs remaining in the five Sarajevo districts, which will be handed over by March 20 to the Bosnian government.

The Serb flight from Sarajevo seen as a blow to the Dayton ued yesterday, even though the observers reported crimes

peace process at the weekend received a boost when the Bosnian Serb military renewed contacts with the Nato-led Implementation Force.

It was the first meeting since

February 8, when two senior Serb army officers were arrested by the Bosnian government as suspected war criminals and extradited to the international tribunal in The Hague. The tribunal is due tomorrow to start a three-day public hear-

ing of testimony from survivors of cluster bomb attacks on Zagreb last May which killed seven people. The testimony will be heard in proceedings against Mr Milan Martic, a rebel Serb Mr Martic stated at the time

that he had ordered the Orkan rocket attacks in retaliation for a Croatian army offensive against western Slavonia, part of the rebel Serb state of Krajina.

There have been no indict-

against Serb civilians in Krajina, where a rebel Serb state was crushed last August.

The Bosnian Serb leader Radovan Karadzic and his military commander, General Ratko Miadic, are named on a list of 52 suspects - 45 Serbs and seven Croats. All but one of the Serb suspects, including Mr Martic, are at large in Banja Luka, the Serb stronghold in Bosnia.

The tribunal has no police force and must rely on the co-operation of the leaders of former Yugoslavia and the international community. It was created by the UN Security Council in 1993, the first such tribunal since the war crimes trials in Nuremberg and Tokyo.

But those trials were conducted by the winners of the Second World War in sharp contrast to the current tribunal. The fragile peace accord in the Balkans also hinges on the compliance of the former warring parties, some agreement which aimed to ments against the Croatian army, of whom worry that they, too, rebuild a unified Bosnia - contine even though international could one day find themselves on

Pentagon to identify arms deals for UK

Continued from Page 1

guide "smart" bombs on to their targets. This could be won by the GEC-Marconi TIALD pod, which was successfully used in Bosnia. A \$2bn order for 155mm battle-field guns could go to either Royal Ordnance, part of British Aerospace, or VSEL, owned by combining its requirement for a shorter-range, highly accurate cruise missile with a similar British need, though this is thought to have met with less

favour in London. The programme being promoted most actively by Mr Portillo is the short-range air-to-air missile Asraam, made by BAe. venerable Sidewinder, but is reluctant to consider a foreign competitor for 20,000 missiles worth more than \$10bn which are so important to its air

"This is a programme which is very close to home, because pilots' lives depend on it," said one US executive.

GEC. The US is also considering The US badly needs a Europe today A frontal zone associated with a depression over the northern Norwegian Sea will linger across Denmark, the Benelux and north eastern Spain. This will result in cloudy conditions with snow over Finland and eastern Sweden. Rain will affect Denmark, the Benelux and central France. Numerous showers will occur over southern France and north-eastern Spain. Much of the British Isles will be dry with sunny spells but Scotland and western Ireland will have showers. The southern Iberian peninsula and Italy will be dry with scattered cloud. The Balkans and central Europe will be dry with ample sun. Five-day forecast High pressure over Russia will extend towards western Europe and the British Isles, forcing Atlantic depressions to move north to

precipitation.

Scandinavia or to be diverted south into the Mediterranean. As a consequence, conditions will become settled over the

continent, while Scandinavia and the

Mediterranean will experience abundant

160 LOW

TODAY'S TEMPERATURES

No other airline flies to more cities in Eastern Europe. Lufthansa

Farro
Frankturt
Geneva
Gebraiter
Glasgow
Hamburg
Helsinid
Hong Kong
Honolulu
Istanbul
Jalkarta
Jersey
Karachu
Kunvalt
L. Anceles Sun fair shower tair shower drzzi snow about rain thund shower sun shower cloudy shower cloudy fair fair ciouty tair shower fair fair sun rain ciouty tair fair fair fair sun fair rain shower skeat skeat Rangoon
Reykpavik
Rio
Rome
S. Frsco
Seoul
Singapore
Stockholm
Strasboury
Sydney
Tangier
Tel Avv
Tokyo
Toronto
Vancouver
Vanca
Warsaw
Warsaw 32 -5 32 13 9 31 24 14 17 14 6 4 8 1 shower shower rein rein sun sun tair sun fair sun fair cloudy fair shower tair cloudy cloudy fair cloudy fair cloudy sun fair cloudy sun fair cloudy sun 15 6 30 24 24 30 6 4 -3 6 29 13 15 2 8 35 1 Milami Milami Montreal Moscow Munich Naples Naples Nessau New York Nicosia Oslo Paris Perth Prague Lima Lisbon London Lux.bourg

Dixons Group Finance plc Guaranteed by

Dixons Group pic

£100,000,000

7¾ per cent. Guaranteed Bonds

due 2001

NatWest Markets

Cazenove & Co.

HSBC Markets

J.P. Morgan Securities Ltd.

SBC Warburg

